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Daily Report

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Castro Writes PRISMA on Ibero-American Summit

FL0907153893 Havana Radio Rebelde Network in Spanish 2300 GMT 8 Jul 93

["Excerpts" of Fidel Castro's letter to the Editorial Department of PRISMA magazine, printed in the July-August 1993 edition—read by reporter Roberto Cavada]

[Text] It says: Esteemed Comrades, I have been asked to write my feelings about the upcoming Ibero-American presidential summit for the benefit of your readers.

We have focused our attention on Bahia at a time when we are preparing to celebrate the 40th anniversary of the Moncada Barracks Attack, an event that brought about many revolutionary changes for our people. Cuba therefore, from a personal perspective, feels deeply committed to this event with respect to self-determination and the idea that every people has the right to decide its own future without pressure or external interference. The summit is a powerful statement by our countries, in favor of truly participative democracy; complete independence; integral, effective validation of human rights; and economic development that serves a greater justice and social well-being.

In another part of the letter, sent to the editorial department of PRISMA magazine, Commander in Chief Fidel Castro Ruz said: The path taken by Cuba 40 years ago, in the face of Cold War realities, oppression, and the submission of our peoples, has made it possible for our work today to enable us to resist and overcome the most difficult adversities.

In another paragraph, Fidel adds: Only through integration, and through the establishment of an economic and political community, will we be able to deal with the challenge of an increasingly internationalized economy. Jose Marti, the distinguished patriot and Cuban thinker, who is always used as a point of reference, said that foresight is the duty of real statesmen. It is our hope that in Salvador-Bahia, the Ibero-American heads of state or government offer an example of wisdom, foresight, pragmatism, and a spirit of unity. It is our hope that we give an effective example of the will to integrate in defense of our independence and the future of our peoples.

Castro concludes by saying: This will be the best and most profound homage to the fathers of our peoples; and to the Cuban people, another irrefutable example of the rightness of the path we began 40 years ago. With my warmest and most fraternal greetings, Fidel Castro Ruz.

Castro's Security at Summit Said 'Similar' to Other Leaders

PY1007141893 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 13 Jul 93

[Report by Antonio Carlos Silva from Salvador]

[Text] Ambassador Flavio Perri, who is the secretary general of the Third Summit of Ibero-American Countries that will begin on 15 July, held a news conference yesterday and reported that preparations for the summit end today in Salvador, Bahia State.

Perri said that at the Salvador summit chiefs of state will discuss—for the first time—resumption of development with concern for the social point of view on the issue. The chiefs of state will begin arriving in Salvador on 13 July and begin leaving early in the morning of 17 July.

Flavio Perri showed no concern over the Federal Police strike scheduled for 15 July. He said he does not believe the strike will take place. He refused to reveal, however, whether there is an alternative security plan to be implemented in case the strike really occurs.

Referring to the security scheme planned for Cuba's Fidel Castro, Perri said it will be similar to that prepared for all other chiefs of state. He added that, in addition to members of the Inter-American Development Bank and the World Bank who are the summit's special guests, only chiefs of state and foreign ministers will attend the summit.

Palestinian, Latin American, Caribbean Conference Opens in Santiago

PY2606135193 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0100 GMT 26 Jun 93

[Text] The third Congress of the Palestine, Latin American, and Caribbean Conference was inaugurated in Santiago tonight. The ceremony was presided over by Suha 'Arafat, wife of the PLO leader.

The blonde Suha 'Arafat appeared at the Diego Portales building in an atmosphere that resembled that usually surrounding a member of the British royal family than a Palestinian activist. She was born in Jerusalem 32 years ago. The wife of PLO leader Yasir 'Arafat is a political scientist and speaks six languages. She is leading the inauguration ceremony attended by Palestinian representatives of 18 Latin American and Caribbean countries. This congress will continue over the weekend.

Cuba

U.S. State Department Note Said 'Repugnantly Slanderous'

FL1007191693 Havana Radio Reloj Network in Spanish 1536 GMT 10 Jul 93

[Text] The Cuban Ministry of Foreign Relations [Minrex], in response to a note from the U.S. State Department, points out that Cuban authorities carried out a careful investigation with regard to the accusations contained in the referenced note, the content of which was unusual, unbelievable, and insubstantial. Cuba does not want to simply reject these accusations, based on an absolute conviction that they do not adhere and cannot adhere to the truth. The investigation has proven that the U.S. State Department communique contains accusations that are repugnantly slanderous. We are talking about an unfair and gross distortion of the minimal procedures that the Cuban authorities are obliged to adopt to carry out basic duties, not only with regard to our country, but with the military base that is being occupied against the will of the Cuban people.

The Minrex communique adds that Washington's idea, expressed in its note on the use of harpoons by our coast guard to recover the alleged bodies, is not only ridiculous, manufactured, and untrue, but it also gives us the right to think that there are cowardly and malevolent purposes behind this.

The communique goes on to say: We would like to think that the U.S. Government has been a victim of cynical, grotesquely false information, even though we are offended by the credit it is given. We believe the irresponsible, superficial way in which they conduct themselves is incredible. We have clearly confirmed that between the dates of 19 and 27 June, which are mentioned in the note, there were attempts by Cuban citizens to leave the country through the Guantanamo Naval Base.

The Minrex response to the U.S. State Department's note indicates that several Cuban citizens who tried to emigrate to the United States were able to reach the Guantanamo base illegally. Meanwhile, 34 others were arrested. Not one of them was killed or injured. The first cause of such incidents is the mere existence of the base that remains there, violating Cuba's sovereignty and territorial integrity. The communique goes on to say that in addition to this, the U.S. Government has for some time allowed itself the temptation of permitting the entrance of people who illegally penetrate the base, since it is the most comfortable way to obtain their objective, which they cannot obtain through visas, even though Cuba does not prevent (legal) emigration.

The Minrex communique adds it is surprising the United States handles potentially explosive situations, especially in a setting where there are military forces on both sides, in such a thoughtless and superficial manner. Cuba has given an example of its own responsible, serene behavior to avoid incidents. If Washington wishes to

avoid incidents related to illegal emigration, they can coordinate this with the Cuban authorities. It is enough to establish, within its own laws, that this is not the legal way of traveling to the United States.

The Minrex communique concludes by saying that the U.S. note contains contemptuous and threatening terms. It is appropriate to warn that such language is inadmissible and that all threats will crumble against the dignity of our people.

GRANMA Responds to U.S. Diplomatic Note

FL1007172093 Havana Radio Reloj Network in Spanish 1531 GMT 10 Jul 93

[Text] Today's GRANMA editorial responds to a diplomatic note from the U.S. State Department which refers to events that are completely false and intentionally [word indistinct] the press. The said note refers to acts of cruelty allegedly carried out on 19, 20, 26, and 27 June by Cuban forces who protect the (accesses) to the Guantanamo Naval Base.

The GRANMA editorial adds that the only truth about those dates is that, as on other occasions, people tried, some of whom were successful, to swim to the naval base and emigrate to the United States by that means.

The response from the Cuban Foreign Ministry to the note sent by the U.S. State Department clarifies that based on the intent of those swimming to the Guantanamo Naval Base, Cuban authorities arrested 34 people, but that not one person was killed and that no one was even injured as a consequence of the action.

Today's GRANMA editorial also explained that, as the climax of this delusion, Cuban troops are accused of having used a big harpoon to recover three of the bodies. What no one knows is where these bodies or the harpoon came from. It is uncertain as to how those who invented such an outrageous story will get out of it. Cuba nevertheless has evidence to the contrary.

According to today's GRANMA editorial, Foreign Minister Roberto Robaina has invited all correspondants who wish to travel to Guantanamo, to interview those who tried to swim to the base on the mentioned dates, and to speak with the alleged dead. The ironic thing about this macabre invention is that it emerges at a time when the international community and public opinion had observed a certain moderation in the U.S. rhetoric campaign towards Cuba. Our country, which is always presented as the guilty party until it proves its innocence, has taken proper steps to destroy those lies. The international press received a copy of the note from the United States, as well as the dignified Cuban response.

The GRANMA Editorial adds that today, in response to the note from the United States accusing Cuba of acts of cruelty carried out by Cuban forces at the Guantanamo Naval Base, we do not wish to force anyone who wants to emigrate to stay. We ask only that the United States be responsible with its own laws and interests and receive

anyone they wish to receive through normal, safe means and to resist stimulating illegal departures that represent a risk. The editorial goes on to say: Our combatants will continue carrying out their duties and as long as it depends on them, there will not be deaths or incidents to lament. The responsibility falls on those who illegally occupy a piece of Cuban territory.

GRANMA newspaper continues by noting that the moral fault of the acts of violation, intent of illegal departures, and the repugnant traffic in people falls entirely on those who do not adopt the pertinent legal and practical measures to prevent them, and instead of [word indistinct] coordinating with the Cuban side, only come up with defamatory campaigns and the use of threats against our country. This is why we energetically reject them, because of a sense of national honor and dignity. The editorial also states that we will know how to bravely confront any aggression of the hegemonic power of the unipolar world, in which we live.

U.S. 'Grisly Tale' Viewed

PA1007162293 Havana Radio Havana Cuba in Spanish
0000 GMT 10 Jul 93

[Roberto Morejon commentary]

[Text] The Guantanamo Naval Base, occupied by the United States since 1902 against the will of the Cuban people, is undermining our national sovereignty and also constitutes a source of permanent tension. In addition to armed provocations from that enclave against Cuban border guards and the carrying out of unjustified and dangerous military exercises, U.S. authorities staged in the past years rehearsed reactions to possible massive flows of Cuban immigrants, according to the Washington language.

Those rehearsals told observers there are those in the United States who gloat over possible disorderly movements of immigrants from Cuba, even through the Guantanamo Base, to the United States. They are unconcerned about the danger of the region, which has been mined by the two sides, or that any migration problem may lead to a confrontation if the respective governments do not behave calmly. With the Guantanamo Base as the backdrop, the U.S. Department of State has now used a grisly tale and transformed it into a diplomatic note, referring to the alleged cruelty employed to hound Cuban fugitives who tried to swim to the U.S. enclave in Guantanamo.

Adding to the fiction, a statement by the official entity had no qualms about referring to the alleged use of harpoons by Cuban troops to remove the corpses of fugitives from the water. There were no harpoons, let alone corpses. For that reason, the official statement is lacking in objectivity, besides being unusual for the insulting tone of its content. The United States distorted minimal measures the Cuban border guards were forced to adopt to fulfill their fundamental duties, including preventing illegal departures from the country that

would lead to a conflict because of the level of the antagonistic forces stationed in Guantanamo.

Several groups of Cubans, encouraged by the aberrant U.S. migration policy, tried to reach Guantanamo. Only a few made it and 34 others were arrested by the Cuban authorities. The United States bears the chief responsibility for this chaotic movement of potential immigrants because it has failed to abide by the 1984 immigration agreement and has previously allowed people to enter the Guantanamo Base illegally. With diplomatic notes, filled with insolent remarks and threats leaked to the media with a big uproar, the U.S. Department of State is fanning the fire instead of extinguishing it, something it would do if it stated the abrupt entry into Guantanamo does not constitute a legal means to travel to the United States.

Coming to the fore once again is the latent explosive nature of the continued presence of the U.S. occupiers of Guantanamo, where a base that is inoperative from a strategic standpoint is located, but some wish to maintain nevertheless to fuel incidents such as the one in question.

Vietnamese Prime Minister Vo Van Kiet Continues Visit

Visits Matanzas Province

FL0907183293 Havana Radio Rebelde Network in
Spanish 1700 GMT 9 Jul 93

[Excerpt] Vietnamese Prime Minister Vo Van Kiet, who is also a member of the Politburo [of the Vietnamese Communist Party], today is visiting Matanzas Province along with members of the high-level delegation he heads. This morning he visited the supertanker base in the city of Matanzas in the company of Basic Industry Minister Marcos Portal. After visiting the base, the prime minister went on to visit the installations of the Oil Drilling and Extraction Enterprise of Central Cuba [empresa de extraccion y perforacion de petroleos del centro], located in Cardenas and Varadero municipalities.

Yesterday, Vo Van Kiet visited the Juan Manuel Marquez Pediatric Hospital in Matanzas. [passage omitted]

Vietnam 'Confident' U.S. Will Lift Embargo

BK1207022893 Hong Kong AFP in English 1940 GMT
11 Jul 93

[Text] Havana, July 11 (AFP)—Vietnam is confident that the United States will lift its embargo and normalize relations with Hanoi, Vietnamese Foreign Minister Nguyen Manh Cam said.

"We hope that the end of the economic embargo and normalization of relations between the two countries will come as soon as possible for the good of the two countries, peace and world development," Cam said here on Saturday, near the end of a visit to Cuba with Prime Minister Vo Van Kiet.

Cam welcomed President Bill Clinton's recent lifting of U.S. opposition to International Monetary Fund loans to Hanoi. "If the decision had come earlier, that would have been even better," he added.

On Wednesday, Kiet was more blunt about U.S. foreign policy, saying, "We demand an immediate end to the blockade and embargo against Cuba."

"The Cuban land occupied by the Guantanamo (U.S.) naval base must be returned to its rightful, legitimate owner, the Cuban people," he added after receiving the highest Cuban decoration from President Fidel Castro.

Cam said he had briefed the Castro government on Vietnam's efforts to decentralize its economy into a market system and discussed ways to increase trade between the two communist nations.

The two sides discussed cooperation in transportation, health and agriculture, but no new agreement was signed, he added.

Vietnam has agreed to supply Cuba with 100,000 tons of rice annually until 1995 at favorable terms.

Cuba's economy almost ground to a halt following the collapse of the Soviet bloc and transformation of many former Cuban trading partners to free-market economies.

It is also under a total U.S. economic embargo that was recently tightened.

Cam denied that the two sides discussed military cooperation and said there were no Vietnamese military advisors in Cuba.

Havana and Hanoi remained "eternally committed to Marxism, Leninism and socialism," he added.

Vo Van Kiet Departs

FL1007153993 Havana Radio Rebelde Network in Spanish 0900 GMT 10 Jul 93

[Text] Today, Vietnamese Prime Minister Vo Van Kiet, a member of the Politburo of the Vietnamese Communist Party, will depart Cuba after completing his official visit honoring Commander in Chief Fidel Castro's invitation.

During his stay in Cuba, the Vietnamese leader held talks with Commander in Chief Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba [PCC] and president of the Councils of State and Ministers, as well as with other Cuban leaders. During his visit, Vo Van Kiet was also awarded the Jose Marti Order, which is given by Cuba's highest state organization.

Yesterday, Vo Van Kiet toured [word indistinct] of oil extraction in Varadero and the super tanker base in Matanzas City. During the two visits, the Vietnamese prime minister was accompanied by Central Committee members Marcos Portal, basic industry minister; and Luis Alvarez de la Nuez, first secretary of the PCC in Matanzas Province.

Castro Bids Farewell to Vo Van Kiet

PA1107140993 Havana Radio Havana Cuba in Spanish 1300 GMT 11 Jul 93

[Text] Cuban President Fidel Castro bid farewell to Vietnamese Prime Minister Vo Van Kiet at Havana's Jose Marti International Airport.

Vo Van Kiet made a five-day official visit to the island. Both sides have characterized the results of this visit as satisfactory.

The Vietnamese leader visited important scientific, tourist, and economic centers of the island and met with the country's most important authorities to strengthen ties of friendship, solidarity, and understanding.

Before departing, the Vietnamese delegation announced that Vietnam will be sending Cuba 100,000 tons of rice annually under conditions favorable to the Caribbean island. The Vietnamese visitors said that the strategy for ongoing bilateral relations is firmly established.

G-7 Summit for 'the Super Rich' Viewed

FL0907221593 Havana Radio Rebelde Network in Spanish 1700 GMT 9 Jul 93

[Station commentary by Orlando Contreras]

[Text] The summit of the super rich concluded today in Tokyo with an abusive exhibition of rhetoric but without doing anything concrete that could give hope to the majority of mankind living in the Third World.

Today, they also included in the final documents that the seven countries with the greatest industrial development in the world, and I quote, should intensify their efforts to reduce subsidies, unquote. But in reality, the United States as well as the EC maintain subsidies and protectionist policies in agriculture—sugar is a good example—which lower the prices on the world market and cause million dollar losses for producing countries in the Third World. Measures contrary to the freedom of trade are applied in the steel, textile, tropical fruits like bananas, and non tropical fruits, like apples, industries.

Something else is surprising. The summit's final document, which the finance ministers took to the G-7 summit, states that, and I quote, it is necessary to study measures to control increasing costs of medical expenses and other medical protection systems. [no reference to closing of quotation as heard] How can they reduce the cost of those services in a market economy? So far, the only measure has been to eliminate them or make them gradually more expensive, allocate less resources to health care, and convert health into a commodity.

Russia was promised \$3 billion to stabilize its economy at the summit. This is fine, except that because of geopolitical reasons they did not take into consideration any assistance for the poor countries of the Third World. The United States and Japan did not agree on the trade

deficit which affects the United States. They did not even discuss the critical situation of the ever increasing trade imbalance between the rich and poor.

The summit of the rich was just that: the perfect time for the most powerful countries to see how to solve their own economic, financial, and unemployment problems as if the rest of the world did not exist or did not matter to them.

Electricity Problems Affect Water Supply in Havana

FL1007025493 Havana Radio Reloj Network in Spanish 0139 GMT 10 Jul 93

[Text] The Water Management Directorate in Havana City reports that due to difficulties in the generation and distribution of electricity, several municipalities in the capital have been affected. The places that are most affected so far are: Cotorro, Habana del Este, San Miguel del Padron, Boyeros, and the Santa Fe/Jaimanitas area in Playa.

Today, there were breakdowns in the [word indistinct] pumping station, which caused water shortages to Plaza, Cerro, and 10 de Octubre Municipalities. Right now, a spokesperson reports that the station is operating normally. Therefore, service will be gradually restored. The Havana City Water Management Directorate reminds the population that they should increase conservation measures of the precious liquid.

Sugar Industry Vice Minister: Cane Recovery Equals Production Stabilization

FL0907134293 Havana Radio Rebelde Network in Spanish 0900 GMT 9 Jul 93

[Text] Sugar Industry Vice Minister (Olidio) Caballero has told the National Information Agency that cane recovery equals stabilization of sugar production. There has been a decrease in the production of this raw material in the past few years, mainly because of material and weather problems. Caballero added that organizational difficulties and other deficiencies in certain places have also had an influence on decreasing the amount of cane grown.

The vice minister stressed that the Ministry of the Sugar Industry is currently emphasizing technological (?discoveries) to guarantee quality in all tasks supporting cane recovery, such as the planting itself, the weeding, fertilizing, cultivation, the use of different varieties, and irrigation. He also placed great importance on the role of the cane farms and their part [el lote] in increasing production, since they simplify the organizational structure and permit greater concentration of efforts on the main objective, which is to increase the amount of cane available for each harvest.

Caballero stressed that the Sugar Industry Ministry is working to plant over 10,000 caballerias of cane from July to September—of the no fewer than 12,000 it is planning to sow during the current winter season, which ends in December. These are decisive for the 1994-95 sugar harvest, said Vice Minister Caballero.

Inter-Caribbean Affairs

Caribbean Community Leaders End 14th Summit

FL0907153593 Bridgetown CANA in English 1316 GMT 9 Jul 93

[Report by Peter Richards]

[Text] Nassau, Bahamas, July 9, CANA—Caribbean Community (Caricom) leaders ended their 14th summit early Friday morning, reporting agreement on a plan to restructure the Community's secretariat, on an investment fund, and a cruise ship passenger tax.

Incoming Caricom chairman, Bahamas Prime Minister Hubert Ingraham, told a news conference that the leaders had reached decisions on a number of agenda items, including the restructuring of the Guyana-based secretariat. The restructuring plan adopted by the leaders creates a new layer of management, officials reported.

"It will allow for an integration of the secretariat's work," Caricom Secretary General Edwin Carrington told reporters. He said that the restructuring would cost member countries an additional EC 1.4 million dollars (one East Caribbean dollar = 37 U.S. cents) annually, and would allow for the appointment of three assistant Caricom secretaries general. The restructuring exercise is expected to be implemented by September this year.

Regarding the Caricom Investment Fund, the director of economics and industry at the secretariat, Byron Blake, told reporters that the leaders had accepted an agreement signed between Jamaica's prime minister, P.J. Patterson, and the Kingston-based Insurance Company of the West Indies, a financial services conglomerate.

"The conference has approved that agreement subject to few legal amendments," Blake said, adding the agreement was likely to come into effect July 31. Blake said that the agreement would provide for a 10-year tax holiday for the group involved in the fund, "to be reviewed at the end of five years. Caricom countries as a group will not provide the same incentives to any company in the first five years, unless the group is giving exactly the same as ICWI," he said.

On the question of a unified tax for cruise ship passengers, Ingraham said the leaders had agreed in principle to have a minimum tax ranging between U.S.6 and U.S.10 dollars. He said it was likely that the new arrangement would come into force early next year. Ingraham said he had been asked to head a committee which would further look into the matter as well as the operation of cruise ships in the region. Ingraham also reported that Trinidad and Tobago would host the 1995 Caribbean Festival of Arts (Carifesta).

It was disclosed that the government of Trinidad and Tobago, where a regional court of appeal is to be headquartered, had indicated that it was still holding discussions with the legal fraternity in Port of Spain. Barbados and Jamaica were said to have given their approval for establishment of the court.

The Bahamas and the countries of the Organisation of Eastern Caribbean States (OECS) are not likely to join the court, since their Constitution calls for a referendum on matters of that nature, Ingraham said.

'Text' of Caricom Leaders' Communique

*FL0907221993 Bridgetown CANA in English 1952
GMT 9 Jul 93*

[Text] Nassau, Bahamas, July 9, CANA—Following is the text of the communique Caribbean Community leaders issued here Friday after their summit:

"The 14th meeting of the Conference of Heads of Government of the Caribbean Community was held in Nassau, the Bahamas, July 5-8, 1993. It marked the twentieth anniversary of the signing of the Treaty of Chaguaramas which led to the establishment of the Caribbean Community and the formation of a Caribbean common market.

Heads of government in attendance were the Rt. Hon. Erskine Sandiford, prime minister and minister of finance and economic affairs, Barbados; the Hon. Hubert A. Ingraham, prime minister of The Bahamas; the Rt. Hon. Manuel Esquivel, prime minister of Belize; the Rt. Hon. Nicholas Brathwaite, prime minister and minister of finance, security and external affairs, Grenada; his excellency Dr. Cheddi Jagan, president of the cooperative republic of Guyana; the Rt. Hon. Percival J. Patterson, prime minister of Jamaica; Rt. Hon. Reuben Meade, chief minister of Montserrat; Dr. the Rt. Hon. Kennedy Simmonds, prime minister and minister of foreign affairs, home affairs, and finance, St. Kitts and Nevis; the Rt. Hon. John Compton, prime minister and minister of finance, planning and development, St. Lucia; the Rt. Hon. James Mitchell, prime minister and minister of finance, St. Vincent and the Grenadines; Hon. Patrick Manning, prime minister of Trinidad and Tobago. Antigua and Barbuda was represented by Hon. Lester Bird, minister of foreign affairs and economic planning; and Dominica by the Hon. Charles Maynard, minister of trade, industry, and commerce.

Heads of government expressed regret at the unfortunate accident which kept Dame Eugenia Charles, prime minister of Dominica, away from the conference and expressed their best wishes for her speedy recovery.

The Caricom associate member of the British Virgin Islands was represented by Hon. Lavity Stoutt, chief minister. Also in attendance at the opening ceremony were H.E. Rafael Angel Calderon, president of Costa Rica, H.E. Carlos Morales Troncoso, vice-president of the Dominican Republic and H.E. Baltasar Corrada del Rio, secretary of state of Puerto Rico.

"In his opening remarks, the incoming chairman of the conference, Hon. Hubert A. Ingraham, prime minister of the Commonwealth of the Bahamas, emphasised that: "It is thus timely for the Caribbean Community, as it is for the Bahamas, to take inventory, to re-evaluate our

goals, and to ensure that our respective structures, processes, and perspectives are relevant and appropriate to our aspirations and to the realities of the international economic environment which so profoundly affect our national economies and our individual well-being."

Heads of government fully endorsed this observation. They regarded this fourteenth meeting as an historic one in that it represented an important milestone in the Community's development process. It was an occasion to pause and reflect both on the successes as well as on the shortfalls in achievement, and to chart a course that would lead a vibrant Community into the twenty-first century.

Issues in Global Economic Relations

Heads of government, mindful of the rapidly changing global environment, the strengthening of regional trading blocs, and the extremely high degree of uncertainty and volatility in the international trade and financial markets, agreed that it was imperative for the region to act in concert to meet the challenges inherent in the new situation.

Heads of government also recognised the close interrelationship between an effective external economic strategy and the internal strategies for the development of the single market and for monetary and financial cooperation and integration. They therefore approved a broad strategy and guidelines for the conduct of international economic and trade negotiations for Caricom countries. In addition, they identified a team of heads of government, including the heads of government with specific responsibilities for external negotiations, for the single market, and for monetary union, and high level officials from the regional organisations to assume responsibility for coordinating and implementing the region's external programme.

Heads of government recognised that the efforts to negotiate access to external markets and resources, and to adjust to changing market conditions should proceed in tandem with the implementation of measures designed to encourage enhanced productivity and the production of competitive exports as well as to generate higher levels of investment.

To this end, member states are involved in programmes of reform, liberalization, and restructuring of their economies. The effectiveness of these efforts and the ability to sustain them is significantly constrained by the high debt servicing obligations and reduced inflows of resources from institutions such as the United Nations Development Programme and the World Bank.

They expressed appreciation for the reduction in the bilateral debt of some of the member states, but remained concerned that an overall strategy for dealing with the debt of middle-income countries and the debt to the multilateral financial institutions has not yet been found.

They reviewed the situation relating to the North American Free Trade Agreement (NAFTA), which is expected to come into force in January 1994. The heads of government agreed to work towards ensuring that adequate transitional arrangements are made to avoid any adverse impact on trade, employment, and investment opportunities in Caribbean countries.

With respect to relations with the European Community, the heads of government observed that the arrangements to create the single European market had been virtually completed. In the process the region's trade in bananas had come under severe threat from a variety of quarters with serious consequences for the future viability of the industry.

Heads of government expressed concern and disappointment at the process utilised within the GATT to examine the arrangements for the marketing of bananas in the EC member states markets and the results emanating from that process which could have serious implications for the entire Lome arrangements.

They recalled that ACP [Africa, Caribbean, and Pacific] banana exports account for only 16 per cent of the total European market and only 3 per cent of the world market. They viewed with extreme concern further initiatives within the GATT by Latin American countries and observed that these current initiatives could seriously undermine the declared objective by the Central America and the Caribbean Community to build closer cooperation among themselves.

They called on all the parties concerned to give full recognition to the exceptional circumstances of the Caricom and other ACP producers and to ensure that obligations enshrined in the Lome Convention are fully honoured.

Heads of government agreed to encourage ACP states, contracting parties to the GATT, to signify their interest in the matter to the GATT where this has not already been done and attend and participate in the deliberations on the findings of the GATT panel at the next meeting of the council to be held on July 21-22, 1993.

Heads of government welcomed the decision of the European Court of Justice in relation to European Community's new arrangements for the marketing of bananas within the single European market. They, however, lamented the fact that financial and technical assistance measures, for ACP traditional suppliers proposed in the relevant community's regulation, have not yet been approved. They were of the opinion that failure to approve and implement such measures as a matter of urgency would result in additional hardships for ACP traditional suppliers to the European market. Heads of government observed that in the new arrangements for the marketing of bananas in Europe which entered into force from July 1, 1993, there were elements which required urgent review.

Heads of government also called on the community to put in place appropriate measures to ensure that the amendments to the Community Agricultural Policy (CAP) and the developments in the GATT, do not adversely affect the sugar industry in the Caribbean and the wider ACP.

Heads of government expressed their concern at the inadequacies of resources under Lome IV for meeting the entitlement to [word indistinct] transfers. They regard the failure to apply a minimum threshold below which transfer bases and transfer amounts would not be reduced as placing [word indistinct] in a worse position under Lome IV than they were under Lome III. They therefore called on the European Community and its member states to make an exceptional effort not limited to the resources of the convention to ensure that the minimum threshold of 2 million ECU's for least developed and landlocked countries and 1 million ECU's for island countries be applied for the 1990, 1991, and 1992 years of application and for the life of the Lome IV Convention.

Heads of government observed that the ACP and the EC would soon begin a mid-term review of the Lome IV Convention. They expressed grave concern at the slowness in the process of accessing and utilising the financial resources for Caribbean regional projects under the first financial protocol of the convention. They recognised that the difficulty arises, in part, from the inadequacy of the level of resources to meet the expanded needs of the Caribbean region with the addition of Haiti and the Dominican Republic to the Caribbean ACP group. They requested the team responsible for the region's external economic relations programme to bring the region's concerns in this regard to the attention of the community.

Heads of government were encouraged by the information from the summit of the Group of 7 on the possible resolution of some longstanding trade difficulties. They trust that these developments will lead to a reduction in the contradictions between the domestic and international trade policies of the major trading nations and greater understanding of the vulnerability of some products of developing countries. They expressed the hope that these developments at the G-7 summit will lead to a re-opening of international negotiations in the GATT towards a global regime which takes account of the concerns of all states. It was against this background that the heads of government expressed their determination to ensure that the community acted with dispatch on the broad range of issues confronting the region.

Caricom/Latin America Relations

Heads of government welcomed the intensification of Caricom relations with Latin America. They expressed their appreciation of the effective representation of the region's interest within the Rio Group by Jamaica and accepted the offer of the government of Trinidad and Tobago to assume this representational role from 1994. They also reviewed with satisfaction the continuing

development of relations between the community and the members of the Group of 3 at both the individual and collective levels.

Heads of government were pleased to learn from the president of the Andean Development Corporation of the growing ties being forged between the corporation, now including Chile and Mexico, and the countries of the Caribbean Community. They also expressed satisfaction with the deepening of relations between the community and such regional and hemispheric organisations as SELA [Latin American Economic System] and the OAS.

The importance of an early conclusion of a trade, economic, and technical cooperation agreement between the community and Colombia was emphasised in the context of the overall development of Caricom-Latin America relations.

Caricom/Central America Relations

Heads of government welcomed the consolidation of relations between Caricom and Central America over the past year. They were encouraged by the degree of collaboration which had taken place, and in particular, the signature of a basic cooperation agreement between the integration secretariats of the two sub-regions and underscored the value of joint action on important regional and hemispheric issues.

Heads of government were particularly encouraged by the statements made by the president of Costa Rica and the vice-president of the Dominican Republic, both of whom clearly indicated their support for the development of closer relations between the Caribbean Community and other countries of the region. It was their view that the forging of closer ties through economic and other forms of cooperation represented an important mechanism for meeting the challenges posed by an increasingly complex international environment and the resultant negative effects on the pace of development of member states of the region.

Association of Caribbean States

Against the background of steady progress in the development of relations between the community and Latin America, heads of government reaffirmed their confidence in the potential benefit to the entire region of the creation of an Association of Caribbean States. Heads of government were convinced that with the creation of the Association of Caribbean States, the community would be strengthened by the greater membership of the association, and would have far greater opportunities for economic development through increased bargaining power and an enlarged economic space. The meeting reviewed the issues involved in the establishment of the association. They expressed their satisfaction at the response to the concept by the potential membership, and with the expressions of support that have been forthcoming from regional and international funding agencies.

Haiti

Heads of government expressed their appreciation for the report provided by Ambassador Christopher R. Thomas, assistant secretary-general of the OAS, on the more recent developments in the international attempt to resolve the Haitian political crisis, in particular the Governors Island Accord signed by President Jean-Bertrand Aristide and chief of the Haitian armed forces, respectively, on the weekend of July 3-4, 1993 in New York. The heads of government also expressed their appreciation for the information on arrangements for the provision of humanitarian assistance to Haiti.

Heads of government recognised the delicacy inherent in this new situation, but expressed hope that this significant development would pave the way for the restoration of President Aristide by October 30, 1993. They reiterated their support for President Aristide and the restoration of constitutional rule in Haiti. They also confirmed the willingness of the Caribbean Community to participate in the establishment of an international constabulary force as part of the OAS/UN arrangements for the restoration of democracy in Haiti. Heads of government also agreed to provide a programme of assistance to Haiti within the limits of the region's resources and urged the establishment of a special programme of assistance similar to that established in 1988 for Central America.

Belize/Guatemala Relations

Heads of government welcomed the declaration issued by the government of the Republic of Guatemala on June 28, 1993, reiterating its recognition of Belize as an independent state. They also expressed their appreciation of the new Belize Government's readiness to continue relations and negotiations with Guatemala on the basis of mutual respect for sovereignty and territorial integrity. Heads noted Belize's concern about recent developments in Guatemala which led to the resignation of the Guatemalan president and the installation by the military of a nominated interim president. They expressed the hope that conditions would prevail in Guatemala that would consolidate the establishment of democratic institutions in Guatemala.

Heads also noted Belize's concern that the government of the United Kingdom has decided to withdraw its troops from Belize and to terminate the defence guarantee which has been in effect since independence. They expressed the hope that this would not weaken Belize's position in seeking a solution to the problem with Guatemala, and reaffirmed support for the sovereignty and territorial integrity of Belize.

Guyana/Venezuela Relations

Heads of government noted the continuing cordial development in Guyana-Venezuela relations. They took note of the contribution of the official visit by President Cheddi Jagan to Venezuela to that process and the fruitful exchanges which have taken place in both the

public and private sectors since then. Heads of government welcomed the decision of the governments of Guyana and Venezuela to pursue actively the search for a peaceful resolution to the controversy over the border under the auspices of the United Nations secretary-general through the good offices of Sir Alister McIntyre. They expressed the hope that discussions within the good offices procedure would continue to be valuable. Heads of government reaffirmed support for the sovereignty and territorial integrity of Guyana.

Request for Observer Status in the Community

Heads of government agreed to the establishment of a joint technical group as the mechanism for pursuing cooperation with the French Overseas Departments in the Caribbean particularly in the areas of agriculture, trade, transportation, education and culture, environment, health, industry, and tourism. They agreed that in light of current activities towards the establishment of an Association of Caribbean States, of which Costa Rica is a potential member, relations with that country be further developed within that context. Heads of government welcomed the development of relations between the community and the United Nations through the implementation of programmes of cooperation between the respective secretariats.

Forty-eighth Session of the United Nations General Assembly (UNGA)

Heads of government welcomed the endorsement of a Caricom candidate for the presidency of the 48th regular session of the United Nations. This unprecedented development which promises to ensure the election of the Caricom candidate by acclamation was a source of immense satisfaction to the community. With reference to the agenda for the 48th General Assembly of the United Nations, heads of government took note of the report of the United Nations secretary-general submitted at the 47th General Assembly entitled "An Agenda for Peace" and agreed that the agenda for development should be given equal importance by the United Nations.

South Africa

Heads of government welcomed the report provided by the secretary-general of the Commonwealth on recent developments in South Africa. They looked forward to further rapid and peaceful progress towards the non-racial elections scheduled for April 1994, and in this connection, called upon the international community to maintain economic sanctions against South Africa until the transitional executive council has been established with terms of reference that are clearly defined and adequate to permit the meaningful participation of the non-white population in the governmental process of that country. Heads of government also agreed in principle to Caricom representation on the proposed Commonwealth Mission to South Africa (COMSA III).

Heads of government also gave consideration to the provision of assistance, to the extent of their limited resources, for the training of disadvantaged South African nationals in development and governance in order to prepare them for a post-apartheid South Africa. Heads of government agreed to keep the situation in South Africa under review.

Deepening the Integration Process

Heads of government agreed that the occasion of the 20th anniversary being celebrated during the ensuing year would be used to expand the process of wider consultation and involvement of all sections of the community. They endorsed the programme for the year of activities which placed emphasis on youth action beginning with a regional youth conference on growing up in the Caribbean as well as the investiture of Caricom youth ambassadors, both of which took place in Saint Lucia on Caricom day, July 4, 1993.

Heads of government noted the progress made towards instituting a two-phased celebration plan to mark the 20th anniversary of the signing of the Treaty of Chaguaramas. They called on the media to publicise fully the activities commemorating the 20th anniversary of Caricom, and to help foster and promote the community's programme as it enters its 3d decade. Heads of government met in special session with representatives of the Caribbean Association of Industry and Commerce (CAIC) and the Caribbean Congress of Labour (CCL). They considered the meeting represented another valuable opportunity for tripartite consultations on the serious issues affecting the region at the present time and in particular on the matter of structural adjustment of Caribbean economies.

Heads of government recalling the Grand Anse Declaration of 1989, reaffirmed that the broadening and deepening of the region's knowledge base, especially in science and technology, was an indispensable ingredient for the region's survival in the 21st century. They agreed to request ministers of education and the Association of Caribbean Tertiary Institutions to consider additional proposals for developing the regions tertiary institutions as well as encouraging skills training and research and development in the private sector.

Heads of government discussed the development of structures of unity for strengthening the integration movement. They reached agreement on the principles contained in the draft charter of civil society which had been prepared by the inter-governmental task force in pursuance of the mandate of the special meeting of the conference of heads of government in October 1992. The charter sets out fundamental principles to govern the relationship between government and people and also to provide for such democratic elements as freedom of the press, fundamental principles of human rights, and other measures aimed at the protection of individuals and the promotion of their welfare.

Assembly of Caribbean Community Parliamentarians

Heads of government also welcomed the fact that there were now eight signatories and two ratifications to the agreement to establish the Assembly of Caribbean Community Parliamentarians. They urged the early completion of the ratification process so that the first meeting of the assembly could be convened in Barbados during this year. They considered that the deliberations of the assembly would contribute to a greater involvement in and a better understanding of the integration process.

Restructuring of the Organs of the Community

Heads of government also endorsed proposals for the restructuring of the organs and institutions of the community. They agreed that the secretariat working under the direction of the bureau and the ministers responsible for Caricom affairs would within the framework of the agreed restructuring proposals, design the specifics relating to information flows, document receipt and distribution channels, national and regional consultation process, and decision-making and implementation procedures.

Restructuring the Secretariat and Organs of the Community

Heads of government were of the view that central to the integration process was the strengthening of the secretariat to cope with the demands for action posed by the challenges facing the community. They accordingly accepted the proposals for the structuring of the secretariat and directed the secretary-general to proceed with their early implementation. In this context they acknowledged the assistance being received from the government of Canada in strengthening a restructured secretariat even as they themselves are determined to provide the additional resources necessary to complete in an effective and timely manner the many agreed programmes and related activities for advancing the integration process.

Progress Reports

Heads of government received progress reports from those heads of government who were responsible for specific areas of activities. They noted developments in all the areas and in respect of the steps being taken towards the achievement of a Caricom single market and economy, emphasized its relevance to the objective of a Caricom region without internal barriers and with a common policy towards countries not members of Caricom. They endorsed the call for the preparation by an expert group of a statement of principles and propositions embodying the concept of the single market and aimed at clarifying misconceptions and misunderstandings about it.

Caribbean Investment Fund

Heads of government approved, subject to any legal adjustments to the text which might be made before July 31, 1993, an agreement between the governments and

the Insurance Company of the West Indies (ICWI) for the establishment of the Caribbean Investment Fund.

Sustainable Development

Heads of government emphasised the importance of the conference on the sustainable development of small island developing states, which is scheduled to convene in Barbados in April 1994. They expressed the hope that this conference, one of the more significant outcomes of UNCED [United Nations Council on Economic Development] 1992, would result in tangible benefits for this category of countries worldwide as a recognition by the international community for their special characteristics and consequently of their special needs. Heads of government noted in this context, the important opportunity provided by the Regional Technical Meeting (RTM) next week (July 12-16) in Trinidad and Tobago for Caribbean/Atlantic countries to define their positions and determine their inputs to this process.

Heads of government also emphasised the fragility of the Caribbean eco-system and the need for vigilance with respect to its preservation given its preponderant significance in the economic survival of the region. In this regard, they strongly condemned the continued activities of certain industrialised countries with respect to the transboundary movement of hazardous and nuclear materials in the wider Caribbean region and at attempts to use this region as a site for the dumping of nuclear waste.

Insurance and Re-Insurance Industry

Heads of government expressed concern at the escalating cost and the difficulty in obtaining insurance and re-insurance in the region. In light of the critical importance of catastrophe insurance in the Caribbean and the fundamental nature of the problem, they endorsed the decision of the standing committee of ministers responsible for finance to establish a broad-based group including the public and private sectors, the engineering and finance committees, to make recommendations for consideration of governments and the insurance industry.

Tourism Issues

Heads of government expressed their appreciation to the Rt. Hon. Michael Manley for the work which he has done on the issue of cruise ships operating in the region. They discussed the many issues affecting the tourism industry in the region and agreed to an authoritative study being conducted under the aegis of the Caribbean Tourism Organisation, to examine a range of matters, including the competitive environment in the market place in which cruise line and land based tourism operate and their impact on tourism in the region; the requirements for establishing a regulatory body; and licensing system to oversee the operations of cruise lines in the Caribbean Sea, in the interest of the peoples of the Caribbean. Heads of government agreed to the concept of a minimum head tax. They appointed the chairman of the conference to deal with its implementation. Heads of

government also noted the report on regional marketing programmes for 1994 and referred it to the next meeting of ministers of tourism scheduled to be held in September 1993 for further study and decision.

Air Transportation

Heads of government received a report from the prime minister of St. Vincent and the Grenadines on the privatisation of LIAT. They agreed, with the reservation of one member state, to the proposals for finalising the process of privatisation of LIAT and the legal arrangements affecting the new membership structure. They also expressed their appreciation to Prime Minister Mitchell for his invaluable contribution in bringing this matter to such a definitive stage.

Heads of government also reviewed and endorsed proposals for functional cooperation among the Caribbean airlines. They recognised that such cooperation was an essential element in the process of restructuring with a view to increasing their profitability. They also agreed to the formation of a regional air carrier comprising existing national airlines of the community and an appropriate foreign air carrier.

Such a regional air carrier would be owned and operated by the private sector, with government participation and with majority equity participation from within the region. In this regard, heads of government requested the prime minister of St. Vincent and the Grenadines to follow up on behalf of the conference, the proposals for increased functional cooperation among the airlines of the region and the formation of a regional air carrier by January 1, 1995.

Carifesta

Heads of government expressed their appreciation of a report on Carifesta V presented by Trinidad and Tobago and commended that member state for the manner in which it handled the organisation and staging of the festival, particularly since it was undertaken at short notice. Heads of government also accepted an offer by Trinidad and Tobago to host Carifesta VI in 1995 and agreed that details of the hosting arrangements will be provided at the next inter-sessional meeting of the conference.

Congratulatory Message

Heads of government noted that a Caribbean national, Clyde Walcott, president of the West Indies Cricket Board of Control, was recently elected to the position of president of the International Cricket Council (ICC). They extended congratulations and their best wishes to Walcott.

Appreciation

Heads of government were unanimous in expressing their appreciation of the role which Prime Minister Ingraham played, as chairman, in leading the conference to a successful conclusion. They requested him to convey

to the government and people of the Bahamas their thanks for the warm hospitality and for all the arrangements that were made to ensure that they had a pleasant and comfortable stay in the Bahamas.

Finally, heads of government took the opportunity to convey to the prime minister, the government, and the people of the Bahamas, their congratulations and best wishes on the occasion of the 20th anniversary of the independence of the Bahamas.

Date and Venue for the 15th Meeting of the Conference

Heads of Government accepted the offer of St. Vincent and the Grenadines to host the fifth inter-sessional meeting of the conference during the first quarter of 1994 and of Barbados to host the 15th regular meeting of the conference on July 4-7, 1994."

Bermuda

Bank Acquires Additional \$3 Billion in Asian Assets

FL1107203993 Bridgetown CANA in English 2023
GMT 11 Jul 93

[Text] Hamilton, Bermuda, July 11, CANA—The Bank of Bermuda has pulled off the largest acquisition in local company history, the ROYAL GAZETTE reported Saturday.

The bank, the largest of Bermuda's three commercial banks, has bought the Hong Kong and Singapore institutional trust business of Standard Chartered Equitor Group (SCEG).

In doing so, the Bank of Bermuda has strengthened its position as the largest corporate trustee in Asia, the GAZETTE said.

Under the terms of the deal, the bank will administer an extra three billion dollars (US) worth of institutional assets in the world's fastest growing economy.

It will leave the bank with a total of seven billion dollars under administration in the Far East.

Donald Lines, the bank's president, said: "This is perhaps the most exciting thing that's happened in the local banking world in the 25 years I've been here.

"To be a market leader in a market as important as that is an immense achievement for the bank."

As part of the agreement, the bank will take on 130 SCEG staff - doubling its previous total workforce in the region.

Despite the enormity of the purchase, Lines said the bank had not stretched itself financially.

"The deal is very attractive from our point of view but it's not a generous acquisition," he said. "We can manage it quite easily.

"By Bermuda standards this is an enormous deal. It furthers the growth of the bank and supports its commitment to go out into the world and compete."

Dominican Republic

* President Announces Agricultural Support Program

93CA0140E Santo Domingo *EL NACIONAL* in Spanish 16 May 93 p 4

[Article by Antonio Caceres]

[Text] Last Saturday, President Joaquin Balaguer announced that his government will pursue a policy of devoting priority concern to agriculture, as compared to the other sectors, although he said this policy "goes against the principles of the reforms under way in the country."

Also, the chief of state asked all sectors of the country to cooperate with the government in its task of protecting the hydrographic basins and national parks—above all the basins of the Nizao River, where the million-dollar Jigüey-Aguacate Dams are located.

Balaguer said that in the Nizao Park, the government is engaged in "a gigantic task, and I am asking all of the people of Bani, and those in all sectors of the country, for cooperation, because the salvation of the fatherland, of the reformists, of the members of the PRD [Dominican Revolutionary Party] and the PLD [Dominican Liberation Party]—of everyone—depends upon it."

The chief executive spoke briefly during the ceremony held early last Saturday afternoon to inaugurate the Central Veterinary Laboratory. The laboratory, located near the Christ the Redeemer Cemetery, was built by the government at a cost of 44.7 million pesos. The president, accompanied by General Luis Maria Perez Bello and other officers, arrived at 1230.

This ceremony represented the official commemoration of Farmers' Day. It was attended by leading government agricultural authorities, representatives of the private sector and the international bodies involved in agriculture, and members of the diplomatic corps.

After congratulating "all of the men who are dedicated to and who love, work, and cultivate the earth," as well as the leaders in the agricultural sector, President Balaguer announced that his government will continue its policy of priority attention to agriculture.

He explained that the government will give agriculture preference over the other sectors "despite the fact that (this action) goes against the principles of the reforms under way" in the country.

Previously, President Balaguer had turned over about 200 million pesos to the agricultural authorities to be

used in the rice and cacao sectors, and to assist the producers in marketing their production surpluses.

Nicolas Concepcion Garcia, an agronomic engineer who is the secretary of agriculture, accepted the keys to the laboratory from President Balaguer and delivered the main address.

The ceremony was attended by Lieutenant General Constantino Matos Villanueva, secretary of the Armed Forces; Dr. Miguel Angel Estepan, secretary of health; Dr. Atilio Guzman Fernandez, secretary of interior; Eng. Eduardo Estrella, secretary of public works; and Elias Wessin Chavez, secretary of sports.

Also present were agronomist Pedro Breton, administrator of the Agriculture Bank; agronomist Manuel de Jesus Amezcua, executive director of the INESPRE [National Institute of Price Stabilization]; agronomist Tito Hernandez, director of the IAD [Dominican Agrarian Institute]; Eng. Augusto Rodriguez Gallart, director of the INDRHI [National Institute of Water Resources]; Eng. Domingo Espallat, secretary of livestock breeding; and Dr. Mario Fernandez, representing the National Livestock Production Council (CON-APROPE).

Representatives of international bodies, including the local representative of the Inter-American Institute for Agricultural Cooperation (IIGA), Dr. Gilberto Paez, also attended, as did Haitian Ambassador Guy de Alexandre; representatives of the Embassies of Japan and China and their agricultural missions in this country; Miguel Eneas Savinon, the president of the National Livestock Board; Mario Caceres, the president of the Association of Milk Producers (APROLECHE); and Eng. Osmar Benitez, the executive director of the Dominican Agrobusiness Council (JAD), among others.

The commanders of the military and police establishments were also present at the ceremony held to inaugurate the veterinary laboratory and to celebrate Farmers' Day.

The project was blessed by Father Amancio Escapa, the vicar general of the Archdiocese of Santo Domingo.

* New Human Rights Legislation Submitted

93CA0140A Santo Domingo *LISTIN DIARIO* in Spanish 3 May 93 p 9

[Article by Ricardo Herrera]

[Text] Dr. Domingo Porfirio Nina Rojas has proposed a draft law that would make basic changes in the legislation on human rights and public freedoms.

The proposed law would create the National Institute for the Defense of Human Rights and related legislation. This institute would be made up of a president, a vice president, a secretary general, and two voting members.

Secretarial responsibilities would fall to the Dominican College of Journalists. The College of Lawyers and the Association of University Rectors would have one voting member each.

The National Institute for the Defense of Human Rights would have the following tasks, among others:

a) To develop a consistent policy on human rights, based on its importance in our area, and to raise the awareness of and motivate the citizenry with regard to the importance of human rights.

b) To maintain cordial relations with the members of the Armed Forces and the National Police, as well as with the courts, all the state institutions, and all international bodies and others defending human rights.

c) To receive, study, and analyze complaints, and to take further action based thereupon whenever necessary.

d) To refer to the courts, in the person of the attorney general of the Republic, all of those government employees, civilian and military, who commit violations of individual rights in our country.

e) To refer to the courts all of those citizens charged with violations of human rights by the general prosecutors of the Court of Appeals, so that they can be turned over to the competent officials.

Similarly, the draft law would establish compulsory courses in human rights and the freedoms of citizens and individuals in the grammar schools and high schools, beginning with the fifth grade.

In similar fashion, the academies and vocational schools of the Armed Forces and the National Police will prepare specialized courses on human rights to be taught to all members of these institutions.

In order to achieve these goals, the secretary of state for education will oversee the efforts undertaken and will cooperate with the Human Rights Institute on all aspects relative to this subject.

Article 6 of the draft law would establish human rights as a compulsory subject at each university, with a chair of human rights at each. The work would be coordinated by the rectors and deans of the faculties of law and legal sciences.

The National Institute for the Defense of Human Rights would have its principal headquarters in the city of Santo Domingo, with branches in the cities of San Cristobal and the city of Santiago, as well as representatives in the municipal seat of each province.

This draft law was proposed in the Chamber of Deputies last 2 November by Antonio Rosario Pimentel, a congressional deputy of the Dominican Revolutionary Party representing the province of San Cristobal.

*** Jan-Apr Revenues Total 5.972 Billion Pesos**

93CA0140C Santo Domingo EL SIGLO in Spanish
26 May 93 p 1

[Article by Victor Manuel Tejada]

[Text] The government took in 5.9718 billion pesos in fiscal income in the first four months of this year, representing an increase of 19.2 percent over the amount collected in the comparable period last year.

This increase, according to the figures in the monthly publication put out by the National Budget Office (ONAPRES), was due in large part to substantial increases in the sums collected by the customs and domestic income offices.

The fiscal income of the government came to 1.6758 billion pesos in April, with customs receipts contributing 43.6 percent, the income tax (ISR) 30.7 percent, domestic income 10.3 percent, the Treasury 13.8 percent, and the National Lottery 1.5 percent.

Traditionally, April has been the best income-tax month for the collection office, since this is the period during which companies must effect the annual settlement of their obligations to that office. Last month, for example, the office took in 514.5 million pesos, representing an increase of 93.5 percent over the 265.8 million collected the preceding month.

However, the ISR funds collected in the first four months of this year came to only 1.7 percent more than the 1.439 billion pesos collected in the comparable period in 1992. This can perhaps be attributed to the implementation of the new tax code beginning in June of last year.

In addition to the income tax, this same office collects the ITEBIS [expansion not given] and the estate, gift, and luxury-housing taxes.

The sums collected by the customs offices continue to increase, although the Central Bank has suggested that imports may decline this year as a result of the accumulation of inventory by domestic businessmen.

In the January-April period, the contribution of the customs offices to the government coffers came to 2.6625 billion pesos, or in other words, 31.2 percent more than the sum collected in the first quarter of 1992.

The domestic income office, for its part, which has long been the third most important office in terms of the sums taken in, provided the government with 172.9 million pesos in April, i.e., 10.8 percent less than the amount collected in March.

However, the sums collected by this office during the first four months of 1993 came to 29.4 percent more than the total for the comparable period in 1992, with an increase of from 545.3 million pesos to 705.7 million pesos.

Although the ONAPRES publication does not say so, this major increase in the sums collected by the domestic income office must be a reflection of the substantial increase in sales of alcoholic beverages and tobacco, which are its main sources of revenue.

Fees for vehicle license plates and patents, taxes on gambling establishments, assessments, stamps of all kinds, passport fees, and the match tax, among others, are also paid to this office.

Finally, the Treasury, which receives income from the Reserves Bank, among other sources, provided the government with 231.4 million pesos in April. This sum was 8.9 percent less than the amount the Treasury provided in March.

However, this office took in 1.0479 billion pesos between January and April of this year, thus surpassing the 956 million collected in the first four months of 1992 by 9.6 percent.

A review of all the fiscal income of the government in the first quarter of 1993 reveals that the dependence on the sums provided by the General Customs Directorate continues.

For example, of the 5.9711 billion pesos paid into the government coffers, 44.5 percent came from the customs offices, while the income tax provided 24 percent, the domestic income office 11.8 percent, and the Treasury 17.5 percent.

The National Lottery, the "Gulliver" of the collection offices, contributed 1.94 percent of the fiscal income.

* Falconbridge Resumes Production of Nickel

93CA0140D Santo Domingo EL SIGLO in Spanish
5 May 93 p 1-D

[Article by Jose Mercedes Feliz]

[Excerpt] Two months after resuming operation, the Dominican Falconbridge mining firm has produced 6,793,090 pounds of nickel, enterprise technicians have announced.

They reported that the firm began operation last 8 March, and by the end of the period it had produced 1,679,864 pounds of nickel, while a total of 5,113,226 pounds was reached in April.

Meanwhile, the average international closing market quotation for this metal in January was \$2.69 per pound. The figure increased to only \$2.74 in February, and stayed at \$2.71 in March and April. These prices were described as acceptable.

The continuing decline in prices and demand on the international market led the executives of Falconbridge to decide to suspend operations on 26 December 1992. Later, they decided to resume operations on 27 March, but subsequently moved the date up to 8 March.

It will be remembered that Falconbridge exported 5,658,205 pounds of the nickel produced last year in January of this year.

The technicians explained that the enterprise continues to project an estimated production of some 55 million pounds for 1993, to be produced at a much lower cost than that reported for the last quarter of last year.

Production reached 60.7 million pounds in 1992, and 60.5 million pounds were sold abroad at an average price of \$3.14. [passage omitted]

* Nation's Hydraulic System Overburdened

93CA0140B Santo Domingo EL SIGLO in Spanish
26 May 93 p 1

[Article by Marino Zapete C.]

[Text] The water at almost all of the dam reservoirs now exceeds the maximal operational levels. As a result, the authorities are being forced to divert water into certain flooding rivers, the director of the National Institute of Water Resources (INDRHI) explained yesterday.

Engineer Augusto Rodriguez Gallart said that the situation is a difficult one, because many of the rivers into which the reservoirs are being drained are overflowing their banks because of the heavy precipitation in recent days.

He cited, by way of example, the Tavera Dam, which was closed in order to reduce the flooding along the Yaqui del Norte, Mina, and Mao Rivers. This has caused the flooding of all of the intake facilities of the Cibao Central Aqueduct.

"And so we have succeeded in reducing the swelling of the Yaqui River, but the intake facilities of the Cibao Aqueduct have been inundated. And the Tavera Reservoir is at level 3.21, in other words three meters above the maximum," Rodriguez Gallart said.

As for the Valdesia Dam, he said that it has been necessary to open the sluice gates, because the reservoir was overflowing. And he said that at Rincon, a cubic meter of water is flowing over the retaining wall.

Concerning the Sabana Yegua Dam, the director of the INDRHI said that as soon as the volume of the water flow in the Yaqui del Sur River is reduced a little, the undersluices will be opened and the reservoir level will be lowered.

The Jigüey and Hatillo Dam Reservoirs are also overflowing the retaining walls because of the great accumulation in recent days.

"The most worrisome thing about this situation is that beginning on 1 July, we will have to operate all of the dams on the basis of the emergency plan for the cyclone

season. In other words, we will have to lower the reservoir levels significantly, because of the possibility of a hurricane, and with the current heavy showers, this will be very difficult," he said.

He explained that the dams must have space available in their lakes to accommodate the river freshets that are likely to occur during the cyclone season, which is expected to be very intensive this year.

Rodriguez Gallart emphasized that the residents of areas near the rivers and ravines need to be cautious and careful, because the dam reservoirs can no longer accommodate more water. This means that if the rains continue, there will be major floods.

Another factor complicating the situation is the fact that the majority of the river channels have deteriorated, with their capacity being reduced up to 50 percent.

Rodriguez Gallart explained that the channel of the Yaqui del Norte River should be able to hold 500 cubic meters of water, but it can only handle 250, because many families have settled in part of the riverbed.

This official said that President Joaquin Balaguer has ordered a survey made to determine the number of individuals living in the riverbeds with a view to resettling them and redirecting the river channels.

Regarding the flooding of the intake facilities of the Cibao Aqueduct, he said that this will make major expenditures necessary, and a series of difficulties are anticipated in the development of the work.

Haiti

Cedras Interviewed on Agreement, Crisis

FL1007051293 Port-au-Prince Television Nationale d'Haiti in French 2300 GMT 9 Jul 93

[Interview with General Raoul Cedras, commander of the Haitian Armed Forces, by Julio Hyacinthe at the Army General Headquarters in Port-au-Prince on 9 July—recorded in Creole]

[Text] [Hyacinthe] Are you convinced that the Haitian political crisis has already found a solution or is coming near a solution through the Governors Island Agreement?

[Cedras] Several parties signed the agreement. I personally think that we, in the Army, signed it honestly. If all actors and all those who signed respect their signatures, we believe that we will manage to resolve the crisis.

[Hyacinthe] Gen. Cedras, do you think that you have already fully carried out your part?

[Cedras] No, because the Army carried out its part when it signed the agreement and it will continue to play its role. However, to expand on the first question you asked me, I do not think that the Haitian crisis is being

resolved because the Haitian crisis is not a crisis—I could say—arising out of certain circumstances. In Haiti, we have a structural crisis. This means after the crisis, we must keep working to set up many things for this country because as....[changes thought] I believe that you will agree with me that it is a country that must be built and we have to rebuild. There must be institutions. We must be organized on the social level as well as the economic level.

In my opinion, the crisis is one thing. After the crisis (?is resolved), every effort must be made so this country can reach a credible development. That will take time but we will nevertheless succeed.

[Hyacinthe] Gen. Cedras, as the Haitian Army has already taken the first step, what do you think remains to be done immediately?

[Cedras] I believe that [words indistinct]. The Army has taken the first step. Obviously, it has a role to continue to play. But for the moment, so the situation can move forward, it is up to the politicians to do what they have to do.

[Hyacinthe] What is it exactly?

[Cedras] Well, to secure agreements according to what is provided for in what was signed to normalize the political situation. Then, the president will have to appoint a new prime minister. This is what we are waiting for. We would like it to happen pretty quickly because, as you know, the country has been experiencing an embargo for almost 22 months. Like me, you are living in the country. You know how this embargo, which has destroyed our ecology, trees and....[stammers] that has especially destroyed many small enterprises in the country also is hard. As a journalist, you know better than I how things are. So, what we wish is that what needs to be done is done quickly....[changes thought] Note that now steps are to be taken. I would like them to be taken quickly for the good of the country because we must have a prime minister who will take office with his government to resolve the situation for everyone.

[Hyacinthe] Gen. Cedras, in the event that things drag on, the crisis continues, and the time limit which was provided for in the 3 July text is not respected, what will be the the Army's attitude?

[Cedras] They [not further identified] always tend to attribute to the Army a role—I think—which is too important in the country. Certainly, it is a national institution. You know how the country is made. [sentence as heard] It is from the Army that the country exists. [Words indistinct] In a message I gave [words indistinct] accept to assume its responsibilities. It is now time for those who hide behind the Army and who (?make the Army responsible for) for everything that is done or that is not done to assume their responsibilities. So, we do not believe that we are moving toward a failure. We are obliged to move forward.

[Hyacinthe] Many people spoke of the charm of Lieutenant General Raoul Cedras on Governors Island. Many others spoke and especially focussed on the spirit and the sense of sacrifice of the general. How do you understand that?

[Cedras] Well, (as it is you who said it), it is not....[changes thought] Well, I think that it is my philosophy. I do not believe anyone on earth is important. One has importance when one does something important for your country, when one does something important for those who are around you.

Albert Camus, a French writer, wrote something. It is one of the things that I have adopted as my own motto. He wrote that it is a shame to be happy alone.

[Hyacinthe] Gen. Cedras, in the event of a premature, will you have the feeling that you have performed your mission or, at least, will you feel a certain regret?

[Cedras] Obviously, in someone's life, when one enters into a career, one would like to go to the end of the career. But as for the Army, I have another philosophy. I think that when one joins the Army, once one reaches the grade of colonel, one's career is over. To become a general is an accident. First, most of the time, it is a political decision that causes someone to reach the level of the Army command. As stated in the Constitution, it is the only right that even the executive has as regards the Army. This right is to appoint a commander in chief. It cannot go further. So, once one reaches the grade of colonel and—as for my career—I consider it a fulfilling career. It was especially devoted to military training because I spent three-fourths of my career at the Military Academy training officers. Then, I became director there. I spent a certain portion of my career at the Operations Camp where I was training soldiers.

I am very satisfied with my career. But I do not believe we will draw a parallel between what I have already achieved and the current situation because I consider that if [words indistinct] sacrifices, things like that—if that can help the country move forward—I do not see problems in it. On the contrary, as it is written in the Bible, [words indistinct] one has one day of good more, one must be satisfied if the solution we have here manages to create an environment, an organization for the happiness of the Haitian people.

[Hyacinthe] Gen. Cedras, will.... [corrects himself] Would the (?whole) High Command retire along with you or will your successor be chosen from within the Haitian Army still in the event of an early departure?

[Cedras] Well, I personally think there is a sense that we do not yet have in the country. It is the sense of institutions. We must respect institutions. The Army is not a game. It is an institution. I cannot understand that things could happen just in anyway in the Army. The Army has its laws and rules. Each Army member is

protected by those laws and by the country's Constitution that prevents the career of a military man being involved because it is a career.

(Hyacinthe) Gen. Cedras, what can you tell those who give credit to the information published in the U.S. press alleging that President Aristide will be accompanied by 10,000 armed foreigners when he returns?

[Cedras] I believe that there is a matter of responsibilities that everyone must assume, personal responsibilities and responsibilities toward the state and the country. I do not see how it will be done with 10,000 men. I tell you, I cannot say it is impossible because we are facing people who are very powerful. But, obviously, the way you told me, if it would happen, (?at least) how would Aristide return? Is it as the president of Haiti who swore to respect Haiti's Constitution which provides that there must be no other armed force than the public force in the country?

[Hyacinthe] Gen. Cedras, a last question and a [words indistinct] how do you see Haiti's future?

[Cedras] This is a good question. Everyone can have their own vision. Personally, I also have my vision about the country. I cannot tell you how the country will be or how it must be because I do not believe that a person can decide. I believe that is one of the problems that I have in Haiti. Everyone thinks that their own visions should be realized for the country. So, everyone is a sort of messiah. I am opposed to those things. I believe that everyone should be listening to each other, should be listening to the people, and get together to see what kind of society we need, what kind of public force we need, and what kind of services we should offer the people.

My vision, obviously, is supposedly a democratic vision. Democracy is not a [word indistinct] as the people are saying. It is not a concept that one can establish overnight. It is a process. We must struggle everyday to have democracy. As I always tell you—by the way, I am not the one who said so—democracy is the hardest regime because there are so many rules that everyone must observe and you know that mankind naturally wants to be free. Democracy has many constraints and it is perhaps those constraints that make it beautiful. It is those constraints that allow people to respect one another, everyone has rights. [Words indistinct] and I believe this is lacking in the country. Everyone must have a responsibility. Everyone must carry out their duties toward the country and toward each citizen in the country.

[Hyacinthe] Gen. Cedras, Television Nationale d'Haiti thanks you.

Senator Dupiton Asks Aristide To Appoint Prime Minister

FL0807210093 Port-au-Prince Radio Metropole in French 1045 GMT 8 July 93

[Text] Senator Thomas Eddy Dupiton has written to President Jean-Bertrand Aristide to ask him to appoint a new prime minister for ratification. In a letter dated 6 July, the senator writes, quote: I have the honor to call to your attention, Mr. President, that since the promulgation of the 15 June decree, the parliament is awaiting the appointment of a new prime minister for ratification. It is moreover from this viewpoint that, on 17 June, I sent you a copy of the special number of the MONITEUR [official government newspaper] which includes the above-mentioned decree. It is true that this letter received no response from you, any more than the one of 23 June on the same subject. It is also true that many points of the Governors Islands agreement have already appeared in the parliamentary decree in question.

Such an observation speaks very clearly of the legislative power's concern to contribute to the solution of the Haitian crisis, writes Senator Thomas Eddy Dupiton. I want to believe therefore, I want to hope that this time you will show toward the Haitian parliament the same understanding that you evince toward the UN and OAS secretaries general in Haiti. [no reference to closing of quotation as heard]

The Senate office headed by Sen. Dupiton is due to hold a press conference this morning at the session room at 1700 GMT. The Senate office will take stock of the national situation and will announce the mechanics of applying the 15 June 1993 decree.

FNCD Proposes Guidelines for Political Parties' Talks

FL09072174593 Port-au-Prince Radio Tropic FM in Creole 1200 GMT 9 Jul 93

[Text] The National Front for Change and Democracy, FNCD, has proposed a set of guidelines for the political parties' talks provided for by the Governors Island agreement. Regarding political detente and social pact, the FNCD believes political detente should be based on agreement by the political parties with members in parliament so that the parliament can regain normalcy through the withdrawal of the 18 January parliamentarians. The FNCD believes the government of national concord, which is about to take office, should have a grace period of at least six months; should promote a national conference, to be convened by the new prime minister; should take the necessary measures for President Aristide's actual return on 30 October; and should condemn and prevent any policy of vengeance and reprisal.

According to the FNCD, the social pact should include several points, including political measures to facilitate social appeasement. The FNCD asks for enforcement of the decision by Constitutionalist bloc senators, who

canceled the steps by the Bazin de facto government that led to the illegal 18 January elections. The FNCD believes there must be a new majority to ratify the prime minister, and that there should be an agreement to allow them to work out a series of laws and resolutions to ensure the transition. The FNCD invites all social sectors and political parties to consider these proposals.

ACP Senators Speak on Role of Gen. Cedras, Return of Aristide

FL0907211093 Port-au-Prince Signal FM Radio in French 1200 GMT 9 Jul 93

[Report on news conference by Alliance for Parliamentary Cohesion senators by unidentified correspondents in Port-au-Prince on 8 July; passages within quotes in Creole—recorded]

[Text] [First correspondent] The 3 July agreement binds only General Cedras. We are going to listen to Senator Ebrane Cadet, who was talking and who gave his opinion on the 3 July agreement during a news conference given by senators of the Alliance for Parliamentary Cohesion [ACP] held on 8 July. With regards to the replacement of deputies [as heard], this is a constitutional requirement that cannot be questioned.

[Cadet] "When we were voting on the 15 June decree, [restoring Aristide as president], we did it....[changes thought] No one pushed us or pressured us. We reached a point....[rephrases] we were persuaded that the people have suffered too much, that they are the great losers, and that everyone is saying: Let us dig in happiness while they are the only ones to say: To die is nice [as heard]. Now, who is going to get them out of this situation so the wealthy can experience the sufferings of the poor also [pou ke woch ki nan dlo ka vin konnen soufrans woch ki nan soley yo tou]? It was necessary for us to restore President Jean-Bertrand Aristide to his post so as to allow him to establish a government in the country, so the country can get out of its current situation."

"However, if while following this path, the country is to be put in trusteeship, if it is to be occupied, it will not be occupied with our consent. It will be occupied without us because when we were voting on the decree, we were conventional, nothing was unconventional. We are willing to support the prime minister, if he is not ratified, we are not responsible. We are waiting and we will continue to wait."

[Second correspondent] The Gordian knot is the controversial elections of 18 January. I will leave Parliament only by force. Sen. Gabriel Ancion said that he will come out only by the use of force. He is one of the parliamentarians elected on 18 January.

[Ancion] No one in the world, no one in the world [repeats] can pressure me to give up this post. No one in the world can pressure me to surrender this mandate of senator. I was elected, I was elected [repeats] by a great

majority in the southeast. No one in the world....[rephrases] There is no one in the world.... [changes thought] unless they come here, unless they come here, unless they come here [repeats]. I repeat: Unless they come here with a machine gun and say: Mr. Ancion, I ask you to leave the post. Then, they will leave with (?my) dead body.

[Third correspondent] Even Gen. Cedras?

[Ancion] I tell you no one in the world, no one in the world [repeats].

[Third correspondent] Mr. Ancion, if they give you [words indistinct]?

[Ancion] [Words indistinct] they will ask Mr. Ancion to leave. Mr. Ancion will reply: Mr. Ancion will not leave and they will leave with his body. [Words indistinct]

[Fourth correspondent] The situation intensifies. Constitutional law must make a ruling. The president of the upper chamber of the ACP bloc, Sen. Thomas Eddy Dupiton, who favors upholding those elected on 18 January at the parliament, asserted that the 3 July agreement constitutes a step toward the solution of the crisis but that negotiations are going to continue.

[Dupiton] Following the publication of the decree confirming President Aristide in his post in order to put a definitive end to the crisis, it was agreed that Gen. Cedras would go to New York for preliminary talks because the Army is reputed to be an administration in the service of the executive power, but not a political body. We will not allow them to tell us today that he also signed for the executive, legislative, and judicial powers. Moreover, it is in this way that the emissary understood it to be when he subordinated every step aimed at leading to a complete way out of the crisis to a separate agreement. Yet, some parliamentarians, who are in a hurry to collaborate at any cost, even at the expense of our sovereignty, suddenly set themselves up as interpreters and translators of Governors Island. [sentence as heard] What an example of division for future generations!

Deputies Propose Dismissal of Controversial Legislators

FL0907211293 Port-au-Prince Radio Metropole in French 1900 GMT 9 Jul 93

[Text] The commission charged with normalizing the parliament has made several proposals. The commission

asks that the legislators resulting from the 18 January elections be suspended. The commission also proposes the dissolution of the two separate chamber offices for the election of a new one.

St. Kitts and Nevis

Former Official To Form New Opposition Party

FL1107203093 Bridgetown CANA in English 1943 GMT 11 Ki; 93

[Text] Basseterre, St. Kitts, July 11, CANA—Former St. Kitts-Nevis Deputy Prime Minister Michael Powell Sunday confirmed a new political party would be launched here later this month.

Powell, in an interview with CANA, said details, including the name of the party and its key officials, would be made public over the coming week.

The launching of the new party takes place four months after Powell was expelled from the ruling People's Action Movement (PAM) and amidst speculation that general elections will be called before year-end.

Powell told CANA some "longstanding members" of the ruling party and "concerned citizens" had taken part in the discussions that led to the decision to form the new party.

Besides the PAM, the St. Kitts-Nevis Labour Party (SKNLP) is the other major political organisation in the country.

"There is a strong feeling that the two established parties have caused very serious polarisation in the country. There is need now for reunification and that is going to be one of our main planks," Powell said.

Powell's expulsion from the PAM occurred amidst differences with Prime Minister Dr Kennedy Simmonds and after Powell, a PAM founder-member, was accused of planning to form a new party.

Powell said political observers were anticipating general elections to be announced after September 19 following the conclusion of celebrations to mark the 10th anniversary of independence.

"Everything is up for grabs," Powell said when asked how he saw the new party's chances in the election in which the PAM will be after a third consecutive five year term.

President Presides Over Economic Growth Pact Meeting

PA0907233593 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 9 Jul 93

[Report by Jaime Guerrero]

[Text] After more than six years of implementing a significant effort, such as the economic growth and stability pact, President Carlos Salinas de Gortari met with signatories of the pact on 8 July at the official Los Pinos Residence. The president analyzed the reduction of the annual rate and called on all sectors to double joint efforts to achieve growth and increase wages, which nowadays are the two basic points of our economy.

During the last 12 months, inflation in our country totaled a one-digit number. After five years and eight months of the effort launched by production sectors and the federal government, inflation totaled 9.87 percent for the period between June 1992 and June 1993. This is the lowest inflation rate in the last 20 years.

Upon presiding over the 250th meeting of the Economic Growth and Stability Pact, where the aforementioned report was disclosed, President Carlos Salinas de Gortari stated that this effort has been carried out without artificial actions.

[Begin Salinas recording] With your effort, discipline, and determination, Mexico today has reached a one-digit inflation number. This effort is becoming consolidated month by month. It will lead us to a more stable and competitive economy, in which well-being will be improved thanks to the efforts of all, without being adversely affected by inflation, as it was in the past. [end recording]

In a ceremony to pay tribute to the labor, peasant, and business sectors, the president added that the discipline in public finances and the initiative to give autonomy to the Bank of Mexico insure that the state will not be a source of disequilibrium, nor will it cause inflation in the future. He called on all sectors to continue with this effort to reduce inflation even further. He noted that only through a low inflation rate, will Mexico create conditions that permit larger growth, greater real wages, and greater social welfare.

[Begin Salinas recording] If we want long-term investments, internal savings to finance development, security, if we want to protect and increase the real wages of workers and peasants in a sustained and permanent manner, and above all, if, as we have pledged to do, we want to improve the distribution of income, compete in the world, and grow permanently, we need to have inflation rates similar to those of the countries with which we trade most. [end recording]

Speaking before the secretaries of finance, commerce, social development, government, and labor and in the absence of Confederation of Mexican Workers leader Fidel Velasquez, President Salinas said that just as the attainment of the pact has demonstrated what can be

done through a joint effort, progress will also be made in the struggle to increase employment and productivity. The effort in the area of inflation, Salinas concluded, has been very worthwhile.

Salinas Announces 9.87-Percent Inflation Rate for Last 12 Months

PA1007154893 Mexico City XHTV Television Network in Spanish 0200 GMT 10 Jul 93

[Text] On 8 June a meeting took place at Los Pinos, the official presidential residence, to review the Stability, Competitiveness and Employment Pact. During the meeting, Mexican President Carlos Salinas de Gortari announced that the inflation rate for the last 12 months was 9.87 percent. Addressing the secretaries of state and labor and peasant and business representatives, the president said this was the lowest rating in 20 years. Now, he said, Mexicans under 25 will finally get to see one-digit inflation rates. He highlighted the fact that the goal was achieved because all of the parties of the economic pact met their commitments. He explained that business absorbed production cost increases without passing them on to the consumer, workers toned down their salary demands, peasants promoted change in the rural areas, and the government maintained discipline in public spending. The results of the pact, Salinas said, demonstrated that it was worth the effort. Now, he added, domestic debt is 10 percent of the gross national product and foreign debt is only 15 percent. He said that salaries have had effective increases of 4.5 percent in 1992 and 5 percent in the manufacturing industry during the first four months of 1993. He underscored that social spending is the highest in the country's history. President Salinas called on all Mexicans to renew their efforts to control and further reduce inflation, which is at last a one-digit number—9.87 percent for the last 12 months.

Fifth Meeting on NAFTA Supplementary Agreements Concludes

PA1007194493 Mexico City XHTV Television Network in Spanish 0200 GMT 10 Jul 93

[Passages within quotation marks recorded]

[Text] The fifth round of meetings between the vice ministers of the North American Free Trade Agreement [NAFTA] nations has concluded. The meetings on NAFTA supplementary agreements took place at Cocoyoc and Huaxtepec, Morelos. The representatives of Mexico, the United States, and Canada agreed that there has been progress in this latest round of negotiations. The attitude of the three countries toward the NAFTA supplementary agreement negotiations has made the next meeting in Canada, to be held during the week of 19 July, their last encounter. After this sixth round of talks, the ministers will be able to meet and sign the final agreements. Herminio Blanco Mendoza, the

Mexican foreign trade under secretary, commented upon closing the fifth meeting of NAFTA chief negotiators in Cocoyoc.

[Blanco] "There are still issues to be resolved, but there has been significant progress regarding structure, commission procedures, and labor and environmental issues."

He said they completed the agenda and held constructive discussions on each of the issues. There was significant progress in the presentation of ideas and in finding ways of eliminating differences. In addressing specific environmental issues he said:

[Blanco] "We covered all those topics regarding environmental and labor issues. We held very constructive dialogues about all of these, as I have already pointed out."

US Delegate Rufus Yerxa stated:

[Yerxa, in English, fading into Spanish translation] "I think the overall statement we should leave with is that the three countries are sure we are closer to solving the pending issues than we were before. The three governments have not changed their previous position."

Alvarez Machain Announces \$20-Million Suit Against U.S. Government

PA1007153193 Mexico City XHTV Television Network in Spanish 0200 GMT 10 Jul 93

[Text] Humberto Alvarez Machain, illegally kidnapped and taken to the United States in 1990 for his alleged participation in the torture and death of U.S. narcotics agent Enrique Camarena Salazar, held a news conference to announce that his lawyers have filed a suit for \$20 million against the U.S. Government.

Mexican citizen Alvarez has sued the U.S. Government for \$20 million in damages received during the 33 months he was jailed and tried in the United States for

his alleged participation in the kidnapping, torture, and murder of U.S. narcotics agent Enrique Camarena.

Alvarez, who was set free by U.S. authorities due to lack of evidence against him, accuses six DEA agents, including former DEA Director Jack Lawn and five other persons, of—among other charges—kidnapping and detaining him arbitrarily and torturing and arresting him illegally, thus, violating his human and civil rights and extradition treaties.

During a news conference held in Mexico City, accompanied by two of his relatives, Alvarez expressed confidence in the success of his suit, which he filed on 9 July at the Federal Court of Los Angeles, California.

[Begin Alvarez recording] The U.S. Government has to pay for the great mistake, the great atrocity, it committed against me, as I consider this is an atrocity committed against a Mexican citizen. [end recording]

Mr. Robin Toma, one of Alvarez' lawyers, said the trial could take years and expressed his trust that the Mexican authorities will help apply pressure.

[Begin recording] [Toma] We had requested a meeting with the attorney general and also with an official from the Foreign Relations Secretariat.

[Unidentified reporter] When was this requested?

[Toma] Several weeks ago.

[Reporter] What was the response?

[Toma] We have received no response. [end recording]

Mr. Alvarez said that if it is required, he will travel to the United States to appear in court.

I am not afraid, nor am I hiding, added the gynecologist. I am continuing to live with my family and leading a normal life in Guadalajara.

[Begin Alvarez recording] I work at a maternity ward of the Health and Public Assistance Secretariat, the Esperanza Lopez Mateos Maternity Ward, where I have worked for 20 years. [end recording]

EL Salvador

FMLN Political Commission Nominates Presidential Candidate

PA0907182593 San Salvador Canal Doce Television in Spanish 0300 GMT 9 Jul 93

[Report by Edwin Gongora]

[Text] Jorge Shafik Handal, coordinator of the Farabundo Marti National Liberation Front, FMLN, announced on 8 July the Political Commission's decision to nominate Ruben Zamora as the party's presidential candidate before the National Convention.

[Begin Handal recording] The FMLN Political Commission has asked me to announce its decision to nominate Ruben Zamora as presidential candidate at the FMLN National Convention, which, according to the party statutes, must make the final decision. [end recording]

Handal said the decision followed consultations within each of the political organizations that make up the FMLN during conventions held in past months. He added that it also reflects the conviction that the FMLN must participate as a unified body in the next elections.

[Begin Shafik Handal recording] The final selection of candidates must be consonant with that basic line, which in turn must be consonant with that unanimous conclusion at all congresses that the main problem to be resolved in the 1994 elections is ensuring that El Salvador continue on the path opened by the Chapultepec Agreements or the process will be reverted. [end recording]

Ruben Zamora said the FMLN Political Commission's decision to nominate him as presidential candidate before the National Convention is positive as it foreshadows a sure victory for the left in the upcoming elections.

[Begin Zamora recording] I believe this clearly shows which forces have been in the opposition in the past, who carried out the peace and negotiating processes, and who remains united and working in coordination, which is obviously a difference from the increasingly deep divisions within the pro-government parties. [end recording]

Regarding the vice presidential candidate, Handal said he will be selected under the same procedures. In other words, the candidate will be chosen by majority or unanimously so he can be a unifying factor among the leftist forces.

FMLN Support for Zamora Candidacy 'Costly'

PA0907170993 San Salvador Canal Doce Television in Spanish 0300 GMT 9 Jul 93

[Passages within quotation marks are recorded]

[Text] Angel Gabriel Aguirre, leader of the Christian Democratic Party [PDC] faction at the National Assembly, said on 8 July that the Farabundo Marti

National Liberation Front [FMLN] will pay a political price for supporting Ruben Zamora as their presidential candidate. Meanwhile, (Rafael Moran Orellana) of the National Conciliation Party said it is only fair that the guerrillas support Zamora as he served them so well.

According to Aguirre, the FMLN's support will have a political affect on Zamora's candidacy because their support is not unanimous.

[Aguirre] "Ruben Zamora's chances have been enormously reduced by the deep problems, the crisis we know the FMLN is experiencing. Instead of backing him and helping him grow as a good candidate with a clean slate, this situation has given Zamora's campaign a somewhat awkward start."

[Moran] "Zamora has not been able to enlist the support of the five organizations that make up the FMLN. I believe this, along with the weaknesses I highlighted earlier, will drive more votes away and set the scene for a controversial campaign that will not even have full support from the left-wing parties that are behind him."

(Moran Orellana) also believes the FMLN's political decision was a just one.

[Moran] "I think this is a just act on the part of the FMLN. Zamora was a militant in the Farabundo Marti Peoples Liberation Forces [FPL] and thus deserves the group's support."

According to those two faction leaders, Zamora will not pose any strong competition for their candidates, even with the FMLN's support.

[Moran Orellana] "I do not believe he can really compete against our party and our candidate. He is a very, very weak candidate."

[Aguirre] "He gives us and our candidate, Fidel Chavez Mena, an advantage. Upon evaluating the two candidates, one sees the distance, the difference, and the quality of our presidential candidate in terms of personality and political ties he holds with the country's social sectors."

Despite this, Aguirre did not rule out the possibility of a coalition between his party and the FMLN Convergence in a possible run-off election in 1994 in order to make sure the opposition occupies the presidency.

FMLN To Comply With UN Weapons Destruction Deadline

PA0907134593 San Salvador Radio Cadena YSU in Spanish 1230 GMT 8 Jul 93

[Text] The former Salvadoran rebels announced on 8 July that the FMLN [Farabundo Marti National Liberation Front], now a political party, will destroy its weapons by 4 August as requested by the UN Security Council.

FMLN spokesman Juan Ramon Medrano said the call from the United Nations is a good sign.

[Begin recording] [Medrano] Apparently this is consistent with the UN secretary general's position. Obviously they need evidence of our good faith so they can believe that the FMLN—in this case—is fulfilling the only point that it did not want to fulfill so it could pressure the other side. I think the UN Security Council's position is politically coherent with the secretary general's position. We expected something similar, and I think our response has been, let us say, appropriate for the conditions.

[Unidentified reporter] Juan Ramon, the Security Council is asking that these weapons must be destroyed by 4 August at the latest. Can the FMLN meet that deadline?

[Medrano] Yes. I think the FMLN could certainly do it. As I told you, the FMLN's problem is making sure that some lost cache, some totally secondary cache, will turn up. As I told you, the main caches containing hundreds or thousands of rifles, such as the one found in Nicaragua, no longer exist. It is no longer difficult to comply. We have already complied. That is the idea. [end recording]

According to Ramon Medrano, if any more weapons belonging to one of the five organizations that form the FMLN are found after the UN deadline, that organization will have to pay the political cost.

According to the UN Security Council, all of the former rebels' weapons must be completely destroyed by 4 August at the latest.

Poll Shows 46 Percent Feel Cristiani's Work 'Average'

PA0907154593 San Salvador Canal Doce Television in Spanish 0300 GMT 9 Jul 93

[Text] According to a poll conducted by Systematized Information [Informaciones Sistematizadas—Insistem], 59 percent of Salvadorans think local politicians are not interested in solving the country's problems.

The poll, which was conducted from 15 to 30 May among 900 people over the age of 18, reveals that 34.2 percent believe no political party will be able to solve the country's problems. Only 8.63 percent of those polled believe politics are important. The high cost of living, unemployment, and common crime are considered the country's most pressing problems.

In addition, 75 percent of those polled believe the cost of living has increased during the first four months of 1993, while 46 percent described President Alfredo Cristiani's work as average.

Col. Martinez Varela Becomes New Air Force Commander

PA0907150993 San Salvador Canal Doce Television in Spanish 0300 GMT 9 Jul 93

[Text] Defense Minister Col. Humberto Corado Figueroa presided over a ceremony at Ilopango Air Base on 8 July when Colonel Juan Antonio Martinez Varela took command of the Air Force from Col. Hector Lobo Perez.

[Begin Lobo Perez recording] All things must end sooner or later. Thus my time in the Air Force has come to an end. As a person, I feel fully satisfied. As a pilot, I have seen, accomplished, and led great achievements throughout a 30-year term. [end recording]

The new Salvadoran Air Force commander said he will put himself at the service of national reconciliation.

[Begin Martinez Varela] National reconciliation is in our hands, and we must join efforts for national reconstruction. We want to emphasize that the Air Force will fulfill its mission while remaining apolitical and obedient to the legitimate authorities and supporting the constitutional government in all its efforts to maintain institutional rule in the Republic. [end recording]

This is just one of many changes of command in various military garrisons throughout the country that are taking place in July within the general orders of the Armed Forces Command.

*** Shafik Handal Letter to Mexican President**

93CA0148A Mexico City LA JORNADA in Spanish 21 Jun 93 p 48

[Report by Blanche Petrich]

[Excerpts] [passage omitted]

The text of Shafik Handal's letter, dated 16 June 1993, follows:

To His Excellency the president of the United Mexican States Carlos Salinas de Gortari Mexico City

Dear Mr. President:

I am respectfully writing to you at a time when our peace process, of which you have been one of the principal promoters, is experiencing strong and threatening tensions.

Fulfillment of the promises made by President Cristiani's government in the historic Chapultepec Accords has progressed slowly, with setbacks and distortions. They should have been carried out by the time the FMLN [Farabundo Marti National Liberation Front] completed dismantling its military apparatus and destroying its weapons, but that did not happen.

A considerable number of the government's obligations were left unmet after the end of the "armed peace" on 15 December 1992. The FMLN accepted this as a good will

gesture to promote the process and to strengthen its credibility. President Cristiani then agreed to keep his commitments based on a new timetable (the fourth one).

However, an enormous lack of confidence still persisted among the FMLN's rank and file, and some of its members decided to conceal part of their arms, in an attempt to retain a bargaining chip, something to offer in exchange, that would in the future ensure fulfillment of all that had been agreed and signed. That is, of course, open to criticism, but that, not to reopen an armed struggle, was their intention. Our impeccable observance of the cease-fire proves this.

The most important dates on the fourth timetable have come and gone and the government has not kept its promises. On 21 May 1993, a report by the UN secretary general revealed the dramatic situation of the government's delays and distortions, including its failure to keep its reiterated promises to collect thousands of military weapons which the Army put in the hands of private citizens during the conflict. On 23 May a cache of arms of the FPLN [People's National Liberation Forces] was found in Managua; two days afterward another smaller cache belonging to the ERP [People's Revolutionary Army] was found in the San Salvador Volcano; on 20 May the police attacked a march of disabled veterans of the FMLN and the Armed Forces of El Salvador, using automatic rifles that, under the agreement, should not have been in their possession. The marchers were demanding that the government enforce the law protecting them, which was passed last year as part of the accords. These events have created a highly tense situation.

Last week when reporting the find of an arms cache in Managua, the press mentioned the existence of papers containing a list of persons alleged to be kidnapping targets in attempts to collect huge ransoms, including some well known Mexican businessmen.

I want to assure you, Mr. President, that the FMLN has nothing at all to do with such aims and plans, which could seriously damage us in the eyes of the Salvadoran people and destroy our international relations. We have extensively cultivated these relations as part of the process of achieving peace and democracy in El Salvador, especially those with Mexico, the most consistent advocate of a negotiated political settlement from the start of the armed conflict, a country which has shown us much hospitality and sympathy.

The source and connections of these papers are not clear. After the arms cache was found with some documents, Nicaraguan officials searched various houses from which they also removed documents. The government of Nicaragua has not attributed the ownership of all these papers to the FPLN; in particular, it does not attribute to it what I have told you, as there are grounds for suspecting a different origin and ownership.

The FMLN has demobilized all its combat units and has resolutely dedicated itself to organizing as a legal political party all over El Salvador, preparing to take part successfully in the presidential, legislative, and municipal elections next March. Our goal is to help create a government in which all the forces committed to pursuing and consolidating the route initiated in Chapultepec will come together and take part.

Ensuring the maximum level of fulfillment of the agreements before the end of the Cristiani administration and preparing for our successful participation in the elections are our two absorbing tasks at present. The activities suggested by this paper are incompatible with those efforts.

I ask you, Mr. President, please accept my assurances and expression of gratitude and respect toward Mexico and toward yourself. The Mexican and foreign businessmen included on that list may be certain of our respect. Once more I affirm that the FMLN has nothing at all to do with that obscure and reprehensible matter.

President Salinas: in the name of the FMLN, I want to repeat to you our strongest desire to maintain and promote the Chapultepec process; our firm decision not to return to armed conflict, and our assurances that we want to cooperate and get through this time without damaging the peace prospects in any way. We are prepared to work intensively to find, collect, and destroy FMLN arms that may still be scattered about out of our control, under Onusal [United Nations Program in El Salvador] verification, as I have today assured the secretary general of the United Nations. The FPLN has already turned over other caches of weapons and has taken steps to clean up its house.

The government says it has discovered some armed groups in certain parts of El Salvador's territory. We have stated, we told this to Onusal and the secretary general and now we are telling you as emphatically as we can: the FMLN has no connection with those groups, or with any other postwar groups. If some former FMLN combatant or combatants are involved in those groups, they are acting outside of and against our instructions. We have asked that this issue be investigated and not be used to damage or delay the peace process.

The peace process will continue to be a tangible reality and must be preserved and promoted. For three weeks after the arms cache in Managua was found, President Cristiani maintained a moderate and constructive position, but yesterday he asked that the FMLN's legal status as a political party be suspended. That would mean a return to the conditions that, with the closing off of democratic political channels during the 1960's and 1970's, led to war.

We believe the situation must return to what was established in Chapultepec. The FMLN will work to pursue the road to peace by recovering its credibility based upon its observance of the accords, and we hope that President Cristiani will finally do the same.

With an expression of my highest consideration and esteem, I extend my greetings and sign as,

Sincerely, Shafik Jorge Handal, general coordinator of the FMLN.

Guatemala

President de Leon Announces New Peace Proposal

PA0907223493 Guatemala City SIGLO VEINTIUNO in Spanish 9 Jul 93 p 2

[Text] President Ramiro de Leon Carpio, accompanied by his adviser Hector Rosada Granados, on the evening of 8 July at the Presidency announced a new peace proposal that aims mainly to achieve national reconciliation and establish a cease-fire, and for that purpose, representatives of the Guatemalan National Revolutionary Unity [URNG] will be allowed to return to the country to hold talks with various segments of society.

He also proposed the mediation of international commissions of the United Nations and OAS to negotiate an end to the civil war and establish a Permanent Forum for Peace to promote debates among all social segments of the country on national problems under the coordination of conciliator Monsignor Rodolfo Quezada Toruno.

"After having received suggestions on the peace process from various segments of society and because reaching a firm and lasting peace is so important to the Guatemalan people, we decided to draft a new peace proposal," the president said.

The suggestions sent to the president included three alternatives: Continue with the same process, continue with the process with certain changes in form and essence, or draft a new proposal, which was the alternative chosen because of the situation facing the country. This was a government decision, de Leon pointed out.

Before defining a new process it was necessary to make an objective evaluation of the scope and content of the previous peace process, which failed to achieve national peace and reconciliation.

Details of the proposal are being presented to the Guatemalan people first, and thus, also to URNG representatives and the international community.

The new proposal will be based on two aspects: 1. The process of giving form to and making common welfare a reality and of building peace as a responsibility of all organized segments of Guatemalan society. 2. The process of ending civil war as a responsibility of the government and URNG. The first will be analyzed in Guatemala, and the second in Mexico.

The foregoing establishes that the new peace negotiation will move in two directions: building peace internally and negotiating the cease-fire.

He pointed out that the bases of the process for attaining peace would be: legitimacy, representation, and legality, as the conditioning guidelines for actions aimed at national reconciliation. The legitimacy would be derived from the construction of a broad national consensus, aimed at generating national agreements, that may bring on common welfare and be a response to the people's desire for peace.

The representation would be attained through an invitation for all the organized groups in society to form part of that mechanism for national consensus, while guaranteeing space for the URNG as another sector, and having all the guarantees and security for its entry in the country. He pointed out that legality will be defined by actions within the framework of a state of law and in fulfillment of the international agreements signed by Guatemala. Furthermore, to guarantee legally the participation of the political representatives of the URNG within national territory, the corresponding legal path will be sought, be it an amnesty or a safe-conduct.

De Leon Carpio reiterated that the Government Negotiating Commission and the URNG will participate in the restarting of the negotiations on the topics related to the process aimed at ending the internal armed confrontation, in the space and time agreed.

He explained that, in due time, they will request the United Nations and the OAS appoint a mediator and a Mediators Commission for the negotiations. "One of the characteristics of the new proposal would be to make it easy for all the organized sectors of society to make their broadest expression, as that could add content and reality to the desire for the construction of peace in Guatemala", he said.

De Leon on Government Talks With URNG

PA0907225693 Guatemala City Teleonce Television in Spanish 1900 GMT 9 Jul 93

[Text] Guatemalan sources believe a proposal that President Ramiro de Leon Carpio presented to the Guatemalan National Revolutionary Unity [URNG] on 8 July as part of the peace process will be very difficult to implement. The goals, described as complicated, include getting the rebel commanders come to Guatemala to participate in the negotiations. De Leon said on 9 July that some of the points in the proposal could prove difficult, but not impossible.

[Begin recording] [de Leon] Conflict created by a 33-year-old internal armed confrontation cannot be solved easily. This makes the process difficult and complex. The proposal presented to the Guatemalan people and the international community on 8 July is a studied and analyzed effort. We are waiting for reactions to the proposal, which was very specific. Today I will send a request to the United Nations and the OAS to appoint a mediator or a mediating commission. I agree that there are difficult problems, such as getting a URNG delegate

to come to Guatemala to participate in the talks. We are looking for ways to do this, however.

Yesterday I said that Vice President Arturo Herbruger, with his legal insight, provided the solution. He spoke of a probable special immunity for the URNG delegates to this permanent peace forum. In other words, we can gradually find solutions to any problems that may arise as the result of this government proposal. The government is willing to look for solutions.

The overall ideas have been proposed. Peace is centered on common good and the Guatemalan society's participation, which it has always wanted. It is up to this society to deal with this national, economic, and social problem. The URNG is part of this. The end of the armed confrontation must be a function of a negotiation between the government and the URNG through our proposal for an international mediator, which we requested of the United Nations and the OAS.

[Unidentified reporter] Is there any possibility of resuming the talks late in July, as it had been reported?

[De Leon] We will start the talks as soon as the mechanisms are established, in accordance with the reply we get and which we are waiting for, first from the United Nations and the OAS and then from the conciliator. Once we get their replies, we will start the talks. Let us bear in mind that there is a permanent forum in Guatemala and that Guatemalan society and the various sectors are already willing to start. We do not have to await an answer from one or the other. Within this context, we include the URNG's answer, of course. We said on 8 July that the permanent forum will start with only the presence of the UN and OAS mediator or mediators. This will become the center for the construction of peace. The conciliator will coordinate the permanent forum. As for the negotiations between the URNG and the government, they could start as soon as we have a reply from the United Nations and the OAS. We are prepared. I even know who will represent us in this dialogue. I cannot mention their names at this time, but I will in due time.

[Reporter] [Words indistinct]

[De Leon] Out of the country. Mexico, to start.

[Reporter] Has the government agreed on the guerrillas' demands, such as the reduction of the Army, [words indistinct], the creation of a Truth Commission?

[De Leon] All of these subjects, described as dealing with cooperation, will be discussed during the negotiations. As we said yesterday, we have separated the negotiations from the other subjects. When there is an armed confrontation, like the one we have experienced for more than 30 years, a negotiation is required to put an end to it. In addition, there is a number of related subjects, which will be debated there. The negotiator in these talks will be the one who will mediate, pardon the redundancy. We are proposing this mediation for a new peace

process because we are willing to negotiate. When one is willing to sit down and negotiate, it is because one is willing to yield, of course. I am sure they are also willing to yield and reach a political agreement to end the internal armed confrontation.

As for the forum in Guatemala and the construction of peace, it is up to Guatemalan society, which contributed the dead, as we have always said. Guatemalan society is entitled to discuss its economic, social, and human rights problems, social justice or injustices. Maybe this will make it possible to reach overall agreements, which will in turn lead us, not to a political agreement, but to a national agreement, dealing with the government policy, which will serve as a basis for future governments and Guatemala's future economic, social, and cultural development. [end recording]

President de Leon Appoints New Cabinet

PA1007010293 Panama City ACAN in Spanish 2347 GMT 9 Jul 93

[Text] Guatemala City, 9 Jul (ACAN-EFE)—Guatemalan President Ramiro de Leon Carpio on 9 July concluded the formation of his cabinet by appointing Cesar Alcides Soto Rodas foreign trade minister. Soto Rodas, who was sworn in on 9 July, was deputy minister for economy during the de facto government of General Oscar Humberto Mejia Victores (1983-1986) and manager of the Union of Guatemalan Rubber Tire Manufacturers [Gremial de Huleros de Guatemala].

The De Leon government's economic cabinet will be advised by Gert Rosenthal, executive secretary of the Economic Commission for Latin America [CEPAL].

Luis Arturo del Valle was sworn in as minister for agriculture and livestock. Del Valle assumed office after resigning the post he held at the Inter-American Institute of Cooperation for Agriculture [IICA], with main offices in Costa Rica.

The Ministry of Culture and Sports will be restructured before its minister is appointed. In addition, the Development Ministry will probably be dismantled and its functions taken over by various government departments.

Finance Minister Richard Aitkenhead is the only minister who remains from the government of removed president Jorge Serrano. The cabinet is composed as follows:

Foreign Ministry	Arturo Fajardo Maldonado
Public Health	Gustavo Hernandez Polanco
Public Education	Celestino Tay Coyo
Communications	Oscar Armando Martinez
National Defense	Mario Rene Enriquez Morales
Energy and Mines	Jose Luis Terron Calderon
Government	Arnoldo Cruz Moscoso

Agriculture	Luis Arturo del Valle
Labor and Social Provision	Anabella Morfin
Public Finance	Richard Aitkenhead
Foreign Trade (Economy)	Cesar Alcides Soto Rodas
Bank of Guatemala	Willy Waldemar Zapata
Secretariat of Economic Planning (Segeplan)	Romulo Alfredo Caballeros
Secretary General	Hector Luna Troccoli
Private Secretary	Carlos Enrique Secaira Pinto
Information Secretary	Felix Loarca Guzman
Executive Secretary of the Presidency	Ana de Molina

De Leon Interviewed on Ibero-American Summit

PA1007043293 Mexico City NOTIMEX in Spanish
2054 GMT 9 Jul 93

[Report by Jose Luis Castillejos]

[Text] Guatemala City, 9 Jul (NOTIMEX)—Guatemalan President Ramiro de Leon Carpio will propose at the Third Ibero-American Summit that efforts be made to consolidate Latin America's fragile democracy, which is being threatened by drug trafficking, armed conflicts, and economic and social problems.

De Leon Carpio, a 46-year-old attorney who on 6 June replaced Jorge Serrano Elias as president of Guatemala, said during an interview with NOTIMEX that at the summit to take place in Salvador, Bahia, Brazil, he will propose that it is necessary to promote "peace with development." The Guatemalan president said the region's democratic systems, which appear strong, "are beginning to falter because of a failure to satisfy the people's needs and domestic threats." In the Chinese Room at the Presidential Palace, the president said that Ibero-America, which by the end of this century will have a population of 500 million, is facing an unprecedented economic crisis marked by a foreign debt of more than \$400 billion.

The chief of state said that democracy in Latin America "is very weak." He noted, however, that "Ibero-America has suitable conditions for contributing to a successful international community in which understanding and harmony are the pillars of peace, solidarity, and development. He noted: "Only if the countries of the hemisphere are united will we be in a better position to realistically face the poverty in which 250 million people live and to seriously attack drug trafficking, illiteracy, and under development."

The Guatemalan president said that the foreign debt "narrows the possibilities for work" and constitutes a heavy load despite the fact that in the past 11 years more than \$230 billion have been transferred to the area. De Leon Carpio said that during the meeting of chiefs of state and government, Guatemala will propose "stopping the ethical value crisis, which has been worsened by

a growing consumption of drugs, corruption, impunity, and continuous human rights violations."

He added: "Drug trafficking, hunger, poverty, lack of health, and unemployment can no longer be just words in a speech, they must be tackled head on to prevent large-scale social decomposition."

"Latin America," he said, "has to create its own utopia, cling to it, and turn it into a goal to be pursued without getting lost. This is a moment for thinking carefully."

As the chief of state sees it, the world's biggest problem is that "the poor subsidize and feed the rich, something that produces much distress because the developing countries are not being offered equal opportunities."

The president, whose coming to power marked the end of a constitutional crisis that was affecting Central American stability, said that Ibero-America wants a more fair multilateral and bilateral system that should admit that interdependency is inevitable. He cautioned: "Ibero-America rejects interference."

De Leon Carpio said that sustained democratic development is basic for promoting liberty and culture and for defending strongly the right to self-determination and sovereignty.

He said: "Ibero-America has a difficult road ahead because 4 billion poor people live in the Third World. But the intention is to create an international pact that should permit reconciliation, peace, and international solidarity."

"The 21 Ibero-American chiefs of state should strengthen their democracies as a priority. Otherwise they will face a crisis similar to the one that occurred in Guatemala in May when constitutional order was broken," de Leon Carpio said.

He called for the implementation of the "humanitarian assistance principle" so that the international community guarantees respect for human rights "without meddling or blocking their defense."

De Leon also called for "the implementation of realistic economic programs coherent and compatible with the world economy, and for establishing adequate economic politics and resources to permit this implementation." De Leon Carpio proposed facing the challenge that under development poses and overcoming it through an economic defense bloc that emphasizes the social aspect to realistically face the region's multiple problems.

He said: "The region's economic struggle must be more humane to open new possibilities and to face the risks of instability in the world economy." The president said that in the summit to begin on 14 July in Brazil he will present the conclusions drawn at the April meeting in Antigua, Guatemala, of the "Ibero-American Vision 2000." That document, signed by approximately 100 intellectuals, speaks of the urgent need to free the Latin

American people from terrorism and to make a "joint effort" to fight drug trafficking and drug addiction.

"Intercultural" integration measures to preclude the collapse of democracy and the principles that support it were also proposed. "The presidents will become aware of the need for a strategic transition plan for the 21st century, which will make disarmament, the selection of social priorities, and a clear system of political, economic, and social alliances a reality," de Leon Carpio said.

Nationally wise, de Leon Carpio said his main concern is to lower the poverty level that afflicts 80 percent of the 10 million Guatemalans, establish peace, and meet the demand for a higher standard of living. He pledged to improve the quality of life through "national solidarity, macroeconomic stability, lower public expenditures, and a reallocation of the budget."

In his 180-day government plan, which started on 1 July, de Leon Carpio announced that he would fight impunity and corruption and reinforce democracy through social participation "in a climate of strict obedience of the law." "Stability, economic growth, social equity, and the fight against poverty will help consolidate the democratic system and social peace by permitting the people's full participation in the political, economic, and social life," he said.

The Guatemalan president's economic strategy to confront the country's problems and developmental challenges is based on maintaining and consolidating stable macroeconomic bases and integration into the world economy. Encouragement of private investment and more careful public expenditures are also included.

Another of the national priorities, which he will present at the Ibero-American Summit, is to obtain loans from the World Bank and the IMF. Guatemala again became a credit subject for international financial institution loans in 1992, after the country amortized 6.28 percent of its foreign debt, which amounts to approximately \$2.25 billion. In December, Guatemala is scheduled to renegotiate its \$480 million debt with the Paris Club, \$80 million of which are owed to Spain and the rest to France, Germany, and Canada.

De Leon Carpio said he is willing to negotiate a peace agreement with the Guatemalan National Revolutionary Unity [URNG] to put an end to the only remaining armed conflict in Central America, a conflict which has left 175,000 dead. He invited the URNG to resume the peace talks, which were suspended in May, and said he enjoys "ample support" from the Army, the Catholic Church, and productive sectors. "The Armed Forces know that my arrival in power helps its image, which has deteriorated from human rights violations charges," he said.

"I am sure we will succeed," he concluded.

Civilian Groups Say Cease-Fire 'Insufficient'

PA1007220693 Mexico City NOTIMEX in Spanish
2056 GMT 10 Jul 93

[Text] Guatemala City, 10 Jul (NOTIMEX)—The Coordinating Board of Civilian Groups (CSC) in Guatemala on 10 July emphasized to the government that the signing of a "cease-fire" will prove insufficient to end an armed conflict which has lasted more than 30 years. The CSC issued its position on the resumption of peace talks two days after President Ramiro De Leon Carpio presented a new proposal to achieve a peace agreement with the Guatemalan National Revolutionary Unity (URNG).

The CSC reminded the former human rights ombudsman that the cease-fire will be reduced to "an ephemeral cease-fire" as long as critical economic and social problems, as well as impunity, prevail in the country. The CSC said the Mayan people must not be let down, not even concerning their efforts to participate in a national solution. The organization also reasserted its faith in the conciliator, Monsignor Rodolfo Quezada Toruno, and his initiatives for the government and the guerrilla groups to return to the negotiation table.

The CSC trusts that when the peace talks are resumed, after being suspended in May, the participants will review mechanisms for society's participation in the negotiations, a point accepted by the de Leon Carpio administration. The participation of civilian groups in the negotiation process had been one of the main disagreements between former President Jorge Serrano Elias' administration and the URNG.

The announcement of an exact date to renew the negotiations, as well as the location of the negotiations, are still pending.

New Foreign Trade Minister Outlines Goals, Projects

PA0907223593 Guatemala City Teleonce Television in Spanish 1900 GMT 9 Jul 93

[Text] Two new ministers were sworn in this morning. They are Agriculture Minister Luis Arturo del Valle and Foreign Trade Minister Cesar Alcides Soto Rodas. This last ministry is the new name for the previous Economy Ministry. Soto Rodas was deputy economy minister a few years ago and later was a rubber industry union leader. Soto explained some of the policies that he will implement in his post.

[Begin Soto recording] In light of the current circumstances, it is perfectly clear that the Economy Ministry's organizational structure has become obsolete. The term economy ministry has become an imprecise description of the specific goals that now are part of the new economic scene. The name foreign trade ministry better responds to the clear policy as defined by President de

Leon Carpio—in other words, to focus fully the government's efforts toward international commercial relations, which as you know, is a major source of our income.

We have to admit that precisely now that the Economy Ministry's profile is being changed it is probable that the new organization will give high priority to consumer interests.

What we need to do right now is to work on two things: To institutionalize the new administrative unit that will be termed foreign trade ministry. Simultaneously, we will need to review and decide the policies of the different sectors and components of the country's economy, such as the commercial sector, which includes foreign trade, the industrial sector, the consumer sector, and so on.

Additionally, to this first area of work intended to institutionalize the new administrative unit, we obviously must fill a very complex and heavy agenda of affairs that require urgent attention. It is a well-known fact that our main export products are receiving a heavy pounding abroad—bananas, coffee, cotton, and so on. We will therefore immediately review the agenda of foreign trade problems and simultaneously the agenda of problems that affects the consumer, in other words foreign trade.

(?National) products are a very important component of our export offerings—both nontraditional as well as traditional products. The total package of Guatemalan export products requires our best efforts. Let us have the best attitude to ensure they come out ahead. I am of the opinion that this should be true not only for traditional products, but all new products that we should export. [end recording]

Nicaragua

Chamorro Says Reduction in U.S. Aid 'Heavy Blow' to 'Battered' Economy

PA0907193293 Managua LA PRENSA in Spanish
7 Jul 93 p 2

[Report by Denis Garcia Salinas]

[Text] Nicaraguan President Violeta Chamorro said on 6 July that the reduction of U.S. aid in 1994 is a "heavy blow" to the battered Nicaraguan economy.

After signing the basic law of the Nicaraguan Women's Institute, the president confirmed that the United States has requested a \$133 million [figure as published] reduction in aid for the 1994 fiscal year. She said such a reduction will seriously harm Nicaragua's economy.

President Bill Clinton has proposed that Nicaragua be granted \$66 million in aid for that fiscal year. This year's aid is estimated at \$109 million.

The Nicaraguan president has responded by reiterating her call to redouble efforts to reactivate the country's depressed production. "We cannot live on public charity. We need to work," the president added.

Chamorro viewed Clinton's proposal as a hard "blow" to the country's economy and indicated that the reduction should force all Nicaraguans to join efforts to work the land and produce.

Chamorro Receives Autonomous Regions By-Laws

PA1007031393 Managua EL NUEVO DIARIO in Spanish 9 Jul 93 p 8

[Report by Carlos Eddy Monterrey]

[Text] On 8 July at 1100 [1600 GMT], the by-laws of the Autonomous Regions of the Atlantic Coast were officially delivered to President Violeta Chamorro at the Presidential Palace.

Immediately after delivering the document, Dr. Alvin Guthrie Rivers, delegate of the South Atlantic region government, characterized the event as "a historic day for the people of the coast." Guthrie, who is also a National Assembly deputy, said: "We believe that these by-laws will serve to activate the autonomous process of the Atlantic coast."

He explained that these by-laws call for the political, economic, organizational, and administrative autonomy of those regions of the country. They also establish rights, obligations, and guarantees of the coastal people as well as controls and the relations that will exist between the autonomous regional governments and the central government. Guthrie said that economic relations between the regional governments and the Caribbean countries would contribute vitally to economic and social development. The by-laws also envisage the protection of natural resources such as forests and the Nicaraguan continental shelf in the Caribbean, where maritime resources are being lost as a result of piracy.

Guthrie said: The regional governments of the Atlantic region ask the political parties and the deputies of the Nicaraguan Opposition Union, the Center Group, and the Sandinist National Liberation Front to promote constitutional reforms to give continuity to democratic development by holding in 1994 elections for autonomous council positions.

The ceremony for the delivery of the by-laws was attended by Father Jose Wolff, of the Catholic Church; Deputy Mirna Cunningham; and Julio Fletes Pena, president of the South Atlantic Council, among others.

EPS Spokesman Confirms Existence of Plot To Kill Ortega

PA0807155593 Managua Radio Nicaragua Network in Spanish 1100 GMT 8 Jul 93

[Text] Sandinist People's Army, EPS, Spokesman Ricardo Wheelock Roman confirmed the existence of a

plot to kill Commander in Chief General Humberto Ortega. The military spokesman spoke to local reporters and said the plot was to be carried out by anti-Castro Cubans and anti-Sandinist Nicaraguans who are members of the so-called 3-80 Front. The EPS official added that the Nicaraguan and Cuban plotters had also planned to attack members of President Violeta Chamorro's cabinet, but he refused to disclose which members had been targeted. Wheelock said Nicaraguan authorities had been alerted to the plot by a prominent Nicaraguan businessman who had been asked to participate in the plot, but refused.

Former EPS Members Arrested

PA0907223893 Managua BARRICADA in Spanish
9 Jul 93 p 1

[Text] A military source reported on 8 July that two former members of the Sandinist People's Army [EPS] have been arrested as it was proven they were involved in plots against government officials, including Army Chief General Humberto Ortega. One of the former soldiers is named William Fuertes Duarte.

According to the source, this activity was not linked to activities planned by the "3-80 Front" and the terrorist group "Commandos L," although the times coincided.

The former soldiers sent a written message to Ramiro Gurdian, president of the Higher Council of Private Enterprise, asking him for financial support for some kidnappings and an attack against Gen. Ortega. The same proposal was sent to other businessmen.

Gurdian did not ascribe much importance to the proposal by the former soldiers, feeling this could be a "trap" by the intelligence forces. Various signs led the authorities to capture the plotters.

Godoy Denies Involvement in Plot

PA0907202893 Managua Radio Corporacion in Spanish
1030 GMT 9 Jul 93

[Text] Vice President Virgilio Godoy has denied any involvement in an alleged plot against General Humberto Ortega, which the military has tried to portray as a conspiracy among politicians, businessmen, and former contras. On 8 July Godoy told reporters: We all know who are the experts in conspiracy. They are the ones who murdered Somoza, Bermudez, and Arges Sequeira.

Military sources reported on 8 July the arrest of two Sandinist People's Army [EPS] officers who are allegedly involved in the so-called conspiracy. One of those arrested is William Fuertes Duarte, a relative unknown. The EPS is trying to implicate Engineer Ramiro Gurdian, president of the Higher Council of Private Enterprise, in the alleged plot. Gurdian has denied involvement in the plan or that he acted as an Army informer as the military has implied.

Dr. Virgilio Godoy told reporters he categorically rejected Army officers's statements on the alleged involvement of National Opposition Union politicians and members and private businessmen in a plot to murder Gen. Humberto Ortega. Dr. Godoy said the EPS officers were liars.

[Begin Godoy recording] Well, the credibility of so-called Colonel Wheelock [words indistinct] is very poor in Nicaragua. He has distinguished himself not only as a liar, but a slanderer.

Anything he says falls within his personality [words indistinct] role. We must recall Wheelock's previous actions. He is behaving like the Interior Ministry behaved when it existed. In other words, if there were no irregularities, the ministry made up a conspiracy to see who they could blame. [end recording]

Rebel Group Meets With Godoy, Changes Demands

PA0907235193 Managua LA PRENSA in Spanish
7 Jul 93 pp 1, 14

[Article by Roberto Orozco B.]

[Text] International news agencies have reported that shortly after meeting with Vice President Virgilio Godoy, the leadership of the rebel Northern Front 380 decided to change its social demands to other political demands, such as the dismissal of General Humberto Ortega.

Godoy, accompanied by deputies and OAS members, met with rebel chieftain Jose Angel Talavera, also known as "Commander Chacal," at a guerrilla site located in an enclave in Quilali, 210 km north of Managua.

Vice President Godoy, who is also a liberal politician, added that "the reorganization of the National Assembly and the solution of the political problems are other political demands made by the rearmed group." He added that the recontras are worried over the "standstill in the democratic process" of Nicaragua and in other issues "that go beyond the demands of complying with the signed agreements."

During a local radio program, Godoy said that "the government of President Chamorro seems to be minimizing the situation of the rearmed groups, a situation that threatens to become unmanageable."

Godoy became the spokesman for the recontras' concerns and he voiced the political demands of the recontras to President Chamorro.

The liberal politician pointed out "their demands are political as they want to guarantee the democratization of Nicaragua. They no longer bring up the issue of security, as they claim they can do this themselves with their weapons."

President Chamorro's government tried to halt the wave of violence that is shaking the northern part of the country by implementing special measures in mid-May. However, the government itself decided to suspend them as the measures did not yield any important results. Another measure destined to control violence was declaring an amnesty, but this led to much controversy among the various groups that form part of our society.

Peasants Say Recompas Raided Homes of Demobilized RN Fighters

PA0907225793 Managua Radio Corporacion in Spanish 1030 GMT 9 Jul 93

[Report by Alberto Rivera Monzon]

[Text] Peasants from Ayapal [word indistinct], on the banks of the Bocay river, have said that during the week of 27 June, groups of recompas led by Caminante, Antonio Villagra, Cinco Estrellas, and Bayardo raided homes of demobilized Nicaraguan Resistance [RN] fighters and stole their belongings, including hunting weapons.

In addition, the peasants reported that the worst crime committed by these vandals during the week of 27 June was the rape of eight women, including a 60-year-old woman who is the mother of a demobilized RN fighter. Given this situation, the peasants said approximately 4,000 former RN members who are devoted to farming in this vast area may rearm themselves and join Northern Front 380, if the Army does not chase the aforementioned criminals.

Meanwhile, one of the recompa leaders in El Callado known as Marvin, who is originally from Yali and is confined in the El Dorado enclave, has been seen wearing civilian clothes in Jinotega, meeting with members of the ill-remembered 19 July Sandinist Youth. According to reporters, members of the Special Disarmament Brigade should make a greater effort to keep the aforementioned individuals within their enclaves and prevent them from roaming the cities and becoming public threats.

In the meantime, regional leaders of the Liberal Constitutional Party in the Municipalities of Yali, La Concordia, San Rafael del Norte, El Cua, Pantasma, [word indistinct], and Jinotega have said that everything is ready for the trip to the capital on 11 July to mark the 100th anniversary of the Liberal Revolution of 1893.

FSLN-Center Bloc Communique on Election of Board Members

PA0907235293 Managua EL NUEVO DIARIO in Spanish 9 Jul 93 p 8

[Communique by the Sandinist National Liberation Front and the Center Bloc issued in Managua on 8 July]

[Text] The Sandinist and Center Bloc deputies in the National Assembly, in view of the current situation in the country, inform the Nicaraguan people of the following:

According to the Constitution, the Nicaraguan National Assembly is one of the four branches of the state. Its regulations and functions are outlined in its General Statutes and any decision regarding the National Assembly's power, such as electing its Board of Directors, can only be made by the members of the Assembly in a plenary voting session.

[Issued] Managua, 8 July 1993

[Signed] Sergio Ramirez Mercado, chief of the Sandinist Bloc

Alejandro Solorzano Obregon, chief of the Center Bloc

Sandinists Plan Celebration of Revolution Anniversary

PA0807145993 Managua BARRICADA in Spanish 7 Jul 93 pp 1, 12

[Article by Alfonso Malespin Jiron]

[Text] With the slogan "Toward New Victories," the Sandinists will celebrate the 14th anniversary of the triumph of the Sandinist People's Revolution in the same square they entered in July 1979 following the overthrow of the Somoza dictatorship.

(Sandinist) Commander Tomas Borge held a news conference and said the ceremony will begin at 0900 with supporters from throughout the country participating. The Sandinist Front will issue a communique announcing its position on the dramatic situation the country is enduring.

Commander Borge described the celebration as "extraordinary" and of "very special significance." He also said the slogan was selected because the Sandinists will pursue new achievements in all aspects of the country's public life "because we are returning to the government in 1996."

The Sandinist leader noted: "We are pursuing new political and economic victories. We are going to reaffirm our national sovereignty and true democracy, a participative democracy. We are going to lay the foundation for new moral and ethical victories."

Regarding the Nicaraguan situation, Borge said there is "rampant corruption, the government's answers are weak and insufficient, and the neo-Nazis and stepchildren of Somoza are working hard to regain power."

According to Borge, Sandinist National Liberation Front Secretary General Daniel Ortega will deliver the main speech at the 19 July event, but Borge did not disclose the topic of the speech.

He did say, however, that the Sandinist communique will touch the Atlantic Coast issue, which Borge views as "a principal part of the Sandinist project."

During the news conference, in which members of the national committee for the celebration participated, the FSLN [Sandinist National Liberation Front] founder touched upon issues such as the arms caches, the kidnapping of three Nicaraguans of Basque origin, the possibility of training UN troops in Nicaragua, and an alleged plot against Panamanian President Guillermo Endara.

On the Endara issue, Borge said: "I know as much about that plot as I know about the chemical composition of a remote planet." He said that about Endara, one can say: "On the good side, he loves good cooking; on the bad side, he is a product of a U.S. intervention."

Regarding the Basques whom he has protected, Borge said that when he was interior minister he "told Spanish Prime Minister Felipe Gonzalez that there were Basques in Nicaragua and that they were not involved in activities against Spain."

"The ones who have violated the law here are those who kidnapped the Basques and those who are looking for ways to bring U.S. advisers and carabineros from Chile," Borge added.

Borge also spoke against establishing a base to train international UN troops in Nicaragua. "We should have olive green helmets here."

"The secretary general of the Sandinist Front has already commented on that subject. I do not know what he said, but I am sure I agree with him," Tomas joked.

He did not hide the fact that the Sandinist Front is trying to reach an agreement with the U.S. Government and with some Nicaraguan Resistance sectors. "We cannot discount the possibility of a political alliance," he said.

Finally, he announced that a BMW will be raffled off to collect funds for the celebration. The cost of each ticket is \$100. [figure as published]

Argentina

'Full Text' of Draft Law Declaring Need for Constitutional Reform

PY0907142693 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 0130 GMT 9 Jul 93

[Text] Buenos Aires, 8 Jul (NA)—This is the full text of the draft law declaring the need for the constitutional reform that was officially presented tonight by the Justicialist Party bloc of senators:

Article 1

It is hereby declared necessary to partially reform the 1853 Constitution and the amendments of 1860, 1866, 1898, and 1957.

Article 2

In accordance with Article 1, the national executive power will call on the people of the Republic within 90 days after the promulgation of this law to elect the convention that will meet with the sole purpose of resolving the following:

A. Modify the following articles: 37, 40, 45, 46, 47, 48, 55, and 67. Clauses: 1, 2, 5, 11, 13, 15, 18, 19, 22, 23, and 26; 68, 69, 70, 71, 72, 73, 76, 77, 78, 80, 81, and 86. Clauses: 2, 3, 4, 5, 11, 13, 15, 16, 17, 18, 19, 21, and 22; 87, 94, 98, 103, 106, 107, and 108 [clause numbers as received].

B. Abolish the following articles: 38, 39, 41, and 67. Clauses: 20, 82, 83, 84, 85, and 86. Clauses: 8 and 9. [clause numbers as received]

C. Combine in a single article the following new subjects:

- 1) Preservation of the environment.
- 2) Recognition of political parties.
- 3) Forms of semi-direct democracy.
- 4) System of amending a single article of the Constitution.
- 5) Promotion of international integration.
- 6) Health protection.
- 7) Expressly include habeas corpus and writ of amparo.
- 8) Defense of competition and consumers.
- 9) Promotion of culture, science, research, and advanced technology.
- 10) Necessary and urgent regulations.
- 11) Per Saltum [by a leap or bound; passing over certain proceedings].
- 12) Clause for progress.
- 13) Regionalization.

14) Federal intervention in provinces.

15) Right to information.

D. Inclusion in the second part of the national Constitution ("National Officials") of the following organizations:

- 1) Office of the Auditor General of the nation.
- 2) Defender of the people.
- 3) Treasury prosecutor general.
- 4) Council for Magistrates.

Article 3

Each province and the federal capital will elect a number of Constituent Assembly members equal to the number of national deputies that corresponds to them at the present time.

Article 4

The Constituent Assembly members will be elected in accordance with the procedure applicable to national deputies and with the arrangement of the D'HONT system of proportional representation that is in effect.

Article 5

The same requirements for the election of a national deputy will be valid for the election of a national Constituent Assembly member, this post being incompatible only with a member of the judicial branch of the nation and the provinces.

Article 6

The Constituent Assembly will begin its work within sixty (60) days after the election of assembly members, and their mission will end within a period of 120 days, which cannot be extended.

The assembly site will be located in the city of...

Article 7

The assembly will be the final judge of the validity of the elections, the rights and titles of its members, and will be ruled by the internal regulation of the nation's Chamber of Deputies, without detriment to the Constituent Assembly's right to modify this in order to expedite its functioning.

Article 8

A Constituent Assembly member will have the same rights and immunities as national Congress members from the day of his election to the end of his term in office, and the incumbent will receive compensation equivalent to that received by national deputies during the time of his performance.

Article 9

Any reform, repeals, or additions proposed by the Constituent Assembly will be absolutely null if conducted beyond the established provisions of Article 2 of the current law or beyond the deadline established by Article 6.

Article 10

The executive branch is hereby authorized to make the necessary expenditures for the implementation of this law, to be charged to the General Revenues Office.

Article 11

It is so ordered.

Chilean Defense Minister on Drug Enforcement Tasks

PY1007212493 Santiago Radio Cooperativa Network in Spanish 1700 GMT 10 Jul 93

[Report by Marcela Torrejon, special correspondent in Buenos Aires, including recorded remarks by Chilean Defense Minister Patricio Rojas at a news conference held in Buenos Aires; date not given]

[Excerpt] [passage omitted] During a lengthy news conference he gave in Buenos Aires, Defense Minister Patricio Rojas broached many subjects, including drug trafficking and the presence in Chile of Nicolas Escobar, the nephew of Medellin Cartel kingpin Pablo Escobar. He said:

[Begin Rojas recording] Whenever an epidemic disease spreads over the whole world, it is then called pandemic. There are, however, local defenses that can be used against it. We want to avoid any infection that is alien to us by putting up the necessary barriers to stave off any possibility of catching that infection. [end recording]

Rojas added that Carabineros and the investigative police will continue to be entrusted with drug enforcement operations, thus ruling out the possible participation of the Army or any other branch of the Armed Forces. Rojas is of the opinion that the Armed Forces should only be in charge of support and information tasks.

Bolivia

President-Elect Sanchez Interviewed

PY0907125093 La Paz LA RAZON in Spanish 27 Jun 93 pp D16, D17

["First part of exclusive interview" with President-elect Gonzalo Sanchez de Lozada by Mariana Baptista Alvarez; place and date not given]

[Excerpts] [Alvarez] What share has the current administration's image had in the MNR [Nationalist Revolutionary Movement]?

[Sanchez] These gentlemen who have led a government—which in the eyes of the public is so corrupt and inefficient—have helped me tremendously. All of us have the intention of making a good government so those who come after us can win the elections playing fair rather than rigging the election results.

The AP [Patriotic Accord] now says that even though there have been cases of corruption we have made great strides in these four years, but that is not true. There have been four lost years. Besides corruption to the nth degree, there has been an outrageous loss of time, and people have seen neither changes nor improvement. [passage omitted]

[Alvarez] Aren't you afraid of power? Power as a source of personal corruption, excesses, arbitrary actions, and injustice; such power that invariably and fatefully transforms man in less than no time. Aren't you afraid of the immense responsibility that has fallen upon your shoulders? First, because the Plan for All is highly ambitious—it proposes risky, bold, and complex solutions. Second, because the massive support you got in the elections—something that has seldom happened in our country's history—is indicative of the huge number of people who have pinned all their hope on you. Aren't you afraid of letting all the people down?

[Sanchez] I believe that I am protected by some sort of maturity and poise, and I think I am not going to let those negative influences get the upper hand over me. Power itself does not frighten me; what does frighten me is failure, frustration, to be unable to keep my promises and change things....

I conceive power or money as tools to attain one's aims.

One of the things I am most worried about is those factors I cannot control. I am greatly concerned, for instance, about the tumbling of mineral prices and world recession. This is a very difficult situation and yet there is nothing I can do about it.

One of the few advantages of being a Bolivian politician is that one cannot fare worse than the others. The problem arises, however, when one establishes goals such as the ones we have proposed. That really concerns me.

Many people advised me not to draw up so detailed a blow-by-blow program as the one I finally put together, but it was not a show of arrogance. I did it to raise the Bolivian people's withered hope, to let them dream once again....

If I had not shared this with the people, if I had not seen that they were ready to support us in this endeavor, ours would have been a vain attempt. The time was ripe for a most daring plan, for a conscientious revolution effected by the polls in a democracy. [passage omitted]

[Alvarez] Bolivia is a heterogeneous and diverse country, as you would call it: "multiethnic and pluricultural." As we witnessed in Congress recently, the decentralization subject is a very delicate issue on which there is no consensus. Do

you think Bolivia is ready for this ambitious undertaking without becoming even more disintegrated?

[Sanchez] In the first place, the decentralization plan we talk about is a more deep-rooted decentralization than the one Congress was discussing and which only consisted of a debate among regional elites who only sought to create nine governments equally as bad as the central government. We seek something completely different; we seek to go deep down, involving the community, the regional municipality, the departmental government, up to the national government. The idea is not to do anything at a level higher than it can be done. The revolutionary aspect of the Plan for All is precisely to decentralize economic and political power and hand it over to the people. A great revolution that has brought changes to a society has entailed the redistribution of wealth and political power to the people. What we seek is a deep-rooted change in Bolivia, but with democracy and peace. Usually the revolutionary forces are frustrated by the destruction changes bring about. We are going to try to carry out a chain reaction but in a controlled manner. This, however, does not cease to be an extremely revolutionary process because we are talking about transferring to the people the wealth of approximately half the GDP [gross domestic product], which will significantly close the gap between those who have wealth and those who do not.

[Alvarez] How long do you think it will take to attain this radical change?

[Sanchez] I think I will take one term in government to get it going. A statesman thinks about the next generation and a politician the next generation.

[Alvarez] What do you think about?

[Sanchez] I hope to be both, a statesman and politician. When I said this in 1989, Dr. Paz told me: "Of all the people with whom I have worked in my long career as a politician, you are one of the few people with the qualities to become a statesman but how do you expect to win the next elections?"

I have had to merge these two seemingly contradictory things. We must sow this seed although it may not fully sprout, but we must leave it firmly planted in the next four years because the revolutions must be fast to avoid being spoiled. The good thing is that the people do not demand much. If they notice signs that they have improved, that they are making progress, that they have reasons for hope, they will thank you for it and vote for you again and this will allow the continuation of the transformation process. I maintain that a good government is the best campaign to become reelected.

[Alvarez] The MNR-MRTKL [MNR-Tupac Katari Revolutionary Movement of Liberation] alliance was lucky because it achieved its objective of attracting the popular segments. Do you think it will be able to really transform society?

[Sanchez] The important thing about this alliance was its commitment, its symbolism. Its relationship with the popular sectors was not false; it was very legitimate. It was a true commitment to become close to the authentic Bolivian people, always bearing in mind that Victor Hugo [Paz] is a professional, a modern man. I think Goni [Gonzalo Sanchez de Lozada's nickname] was what Victor Hugo needed, and the MNR needed the MRTKL.

[Alvarez] Does this mean taking advantage of one another?

[Sanchez] I do not think that complementing one another means taking advantage of one another. That feeling did exist and continues to exist among many MRTKL members but it is very mistaken. Creativity must be very generous, not selfish, and it would not have had any effect if the alliance had not been sincere. The two parties must become accustomed to working together, united but without losing our identity. I foresee no serious problem because basically there is an agreement, and both parties will contribute when it comes to the details. Now then, selfishness always exists. The MNR is a very large party and the MRTKL is working not to lose its identity and become absorbed. But I do not believe this is something to worry about. Moreover, there are no commitments beyond this government. We will seek the project that will benefit each of the political forces most, but I believe it is always easy to build on success.

[Alvarez] A free-market economy that goes hand in hand with a democratic system has always taken on the guise of a mercantilist system in Latin America, a system that grants privileges and monopolies to a reduced number of elites, which use the state to pass legislation in their favor and against the many. As Hernando de Soto [Peruvian Freedom and Democracy Institute president] says, such a system is not only immoral but is, primarily, an inefficient one because its success does not depend on creativity and effort but rather on the ability to win the friendship of presidents, ministers, and other government officials. How can we shake off patronage and pork-barrelling when behind and under the president there is a string of people who have backed him during the campaign and feel they have the legitimate right to obtain a hundredfold return for their investment and effort?

[Sanchez] A definite solution to that is to act in an aboveboard manner and to be more efficient in a democratic system, and that is precisely what we have to do in our government. A free-enterprise economy is rather what shields us against the evils that you have just mentioned. Mercantilism is a perversion of the system because a free-enterprise system seeks to reward creativity and effort. In a thriving economy, people soon realize that it is more profitable to resort to creativity and personal drive than to work with politicians.

There are times in the history of countries and of mankind that are characterized by virtuous cycles and vicious ones, such as the one confronting the current administration, which assumed office to line its own pockets, cherishing the hope that it could impose its own will on the people thanks to that money and the manipulation of the state. Now we have the opportunity to try establishing a virtuous cycle in which people realize that if they want to hoard money they must engage in business, whereas if they want something else, they must engage in politics.

It obviously would be totally naive to believe that one can turn one's back on one's party because parties are instrumental to catapulting one into power, but they demand very little—just a share in power quotas; this is valid here and in any democracy in the world. The ironic thing about politics is that once one comes into power it is necessary to oversee the very same people that helped you get there so they do not get out of control. This is, however, a reasonable and tolerable state of affairs, provided it is not used as a pretext to act or let others act the giddy goat.

[Alvarez] The centerpiece of your campaign was to put an end to corruption, but would it suffice to sign debt equity swap agreements for government-owned enterprises or to make them more democratic to stem corruption? Moreover, to what extent could popular participation in supervising resources occur, in practice? That sounds farfetched and alien to our reality. Not even the other measures put forward in the Plan for All—however efficient they may seem—will matter much if there is not a truly political will to come down on corruption and a real intention to refrain from protecting either friends or allies who might be implicated in such actions. How do you envision tackling this issue?

[Sanchez] The Plan for All is not only a plan that decentralizes and distributes economic wealth and political power. The plan also fights drug trafficking because it creates an effective alternative development and it fights corruption because, to a great extent, corruption affects state enterprises. If people invest their money in these companies, they will administer and look after them better. I found out during all my conversations with people in the streets and in all the surveys we conducted that the people want these companies out of state control. They know that these companies are considered war booty and will function better if that control is returned to the people.

The secret of a good government—and this applies equally to companies and countries—is to govern them from above with policies, but to administer them from below, at the level of the problems. A person who is not too smart but lives near the problems is worth more than a genius who lives far away.

It is true that what we need to fight corruption is, primarily, the firm decision to confront it because corruption exists for lack of capacity because it is hidden or because people participate in it.

I think the renewed MNR has issued a clear message that we will not tolerate corruption. I wonder why did this government not follow up its corruption charges against MNR followers. It was easy to accuse us. But if they had the proof why did they not put us all in jail? They would have done us and society a favor.

I cannot promise perfection, but I can commit Victor Hugo's [Cardenas] and my decision and willingness. For what it is worth, I would like to say to you—without being able to guarantee it but I can bet on it—that we are going to achieve a lot in this field. I think Bolivian society, like the MNR—which is a microcosm of what the country is—basically is not corrupt. I do not think that Bolivia is corrupt. If I thought differently I would have resigned my constitutional right to compete for the presidency in Congress during the first days of August.

Foreign Minister Accuses Former Ambassadors of 'Shady Deals'

*PY0907154193 La Paz Radio Fides Network in Spanish
1100 GMT 9 Jul 93*

[Report by Edwin Perez]

[Text] Foreign Minister Ronald MacLean accused former Bolivian Ambassadors to Argentina Agustin Saavedra Weiss and to Mexico Raul Ossio Ayoroa of shady deals and corrupt practices that have smeared the country's image.

MacLean contends that both diplomats wrongfully used their diplomatic immunity for personal profit. The official report states that Saavedra Weiss is implicated in an \$8-million deal involving at least 152 vehicles, most of them luxury cars, that were exempted from paying customs duties. The list of vehicles includes 80 Mercedes-Benz cars, 25 BMW's, four Masserattis, other foreign cars, and an unknown number of Argentine models. [passage indistinct]

Saavedra Weiss told Radio Fides Network that everything was done within the framework of the law and that the Argentine Government had authorized the entry of vehicles. He said:

[Begin Weiss recording] Obviously, the vehicles were not for myself, were they? If you, Mr. John Doe, were an official working at the Bolivian Embassy, I would grant you a customs duties exemption for your vehicle if the Argentine Government so decided. But I cannot give you any exemption unless the Argentine Government authorizes it. During my tour of three and a half years as ambassador in Argentina, there were a number of officials from the previous administration. Besides, it is a large embassy and there are many officials working in Argentina; there are a hundred-odd officials and a hundred-odd vehicles. Therefore, I sincerely do not see anything wrong with it. [end recording]

The serious allegations made by the Foreign Ministry also include the Bolivian Embassy in Mexico headed by

the stepbrother of the current vice president of the Republic. According to official investigations, Ambassador Raul Ossio Ayoroa requested that a considerable number of vehicles be exempted from paying customs duties for no understandable reason. MacLean said:

[Begin MacLean recording] The charges filed by the Foreign Ministry concern [indistinct words] and abuse of their authority in acts of flagrant corruption by [words indistinct] the undue use of public authority for seemingly personal profit. [end recording]

The former Bolivian ambassador to Mexico is still in Mexico and therefore could not be consulted on this issue.

Saavedra Weiss believes this whole issue has been blown out of proportion for some dubious reason. He said:

[Begin Weiss recording] Mr. MacLean's attitude on this issue is just a red herring in view of the serious problems confronting his portfolio. I am surprised at his attitude because it jars with his usual self. Well, I am going to look into this affair and I will have recourse to the courts and sue whomever is responsible, as this accusation slurs my reputation and that of my family. [end recording]

Brazil

Franco To Complain to Guyanese President Over Troop Movements

PY1007004793 Sao Paulo VE4A in Portuguese 7 Jul 93 p 33

[From the "Radar" column by Ancelmo Gois]

[Text] After the Americans come, who will carry out maneuvers in the former British Guiana? The Brazilian Government does not like one bit the movement of troops near its borders. This is what President Itamar Franco is going to tell Guyanese President Cheddi Jagan, who is going to visit Brazil in the near future.

Governors' Role in Public Deficit Viewed

PY0907224293 Sao Paulo VEJA in Portuguese 30 Jun 93 pp 24-28

[Text] In its classic Articles 5 and 6, the Brazilian Civil Code describes minors, reckless spendthrifts, jungle dwellers, all kinds of madmen.... [pauses] as irresponsible. To which we could add: "...and state governors." Governorship, a sweet post in which—thanks to institutional wrongdoings, customs, and above everything, Brazilian political and administrative disorganization—power is quite considerable, as are perquisites, while responsibilities are very few. Ever since Finance Minister Fernando Henrique Cardoso announced his austerity intentions and pointed out as a priority target the surveillance of state governors, the country began viewing a well-known movie. Like a choir of angels, the governors all promised to cooperate with him. Little by

little one begins to understand that they will certainly cooperate, but on one condition: that their position is safe. A Red Line [Rio de Janeiro subway project] here, a settlement of accounts with Sao Paulo there, and a subway line for Brasilia over there. At the end of the movie, the "widow [as Deputy Delfim Netto calls the Federal Government] pays the bill."

Being a state governor throughout the history of Brazil has ranged from total irrelevance, lack of autonomy, and subservience during dictatorial periods, to total arrogance, concentration of power, and frivolity as during democratic periods. We are still looking for a half-way measure. Historian Aspacia Camargo, in a work she is preparing on the crisis facing the Brazilian federation, writes: "In terms of a federation, while centralization is misconceived as arbitration, decentralization reasserts irresponsibility." We are living a period when the pendulum has swung to the second alternative described above, decentralization and irresponsibility. To use the words of Professor Aspacia Camargo—the Federal Government has become a fragile victim of federal units, "especially the strongest states, be it through fear of retaliation from the governors who act as viceroys and as eternal candidates for the post of president of the Republic, or be it through fear of blocs of state congressmen who can hinder or reject bills in Congress." One way to begin talking about these viceroys is to include them with the irresponsible beings described in the Civil Code, as we have already done. Another way would be to ask what is there in common between the lover of an illegal lottery banker, a clandestine train passenger, and a state governor: Easy! None of them ever pay the bill.

Nitroglycerine

The truth is that the finance minister has not done anything practical, except to use his prestige and reputation to create a positive atmosphere of expectation. Maybe he started out with a few false steps by granting a concession here and an exception there as well as by insisting too much on "negotiating" everything, which in Brazil nearly always means that nothing will ever be accomplished. However, the minister does have an undeniable commendation: Fernando Henrique Cardoso pointed his finger at the states for their responsibility in the inflation process. This is nearly imperceptible for the common citizen. This country is obsessed with the president of the Republic and the finance minister who are closely followed by the media which makes demands and dissects each step they take. The governors, however, are more lucky. While the president and the finance minister are being followed and without anybody realizing, the governors administer stocks of pure nitroglycerine through that supreme symbol of irresponsibility: the state banks. According to economists Sergio Ribeiro da Costa Werlang and Arminio Fraga Neto of the Getulio Vargas Foundation: "State banks represent one of the greatest obstacles to the performance of the Brazilian economy, given that they

simply transfer their deficits to the Federal Government." They have written in a study on this subject entitled "The State Banks and the Fiscal Uncontrol."

We have not started well and there is still a long way to go. If the constitutional review tentatively scheduled for October is courageous and honest this matter will have to be analyzed. It is obviously necessary to call attention to the fact that the crisis of the country is—perhaps to a large extent—a federative crisis—a crisis of state, municipality, and federal government relations. This crisis has legal, fiscal, political, and cultural aspects. In sum, it is responsible for a large chunk of the national disarray. Just take the example of the electricity industry. Electricity distribution companies in almost all states stopped paying their bills some time ago to Eletrobras [Brazilian Electric Power, Inc.], the state company that controls energy producing plants. In other words, they stopped paying their electricity bill. Behind this default is a long and unresolved discussion. State government argue on two counts: First they mention an old law saying that the federal government must guarantee distributors a minimum profit of 10 percent for reinvestment—a law that has not been enforced for a long time. Second, electricity rates and adjustments administered by the Federal Government do not always follow inflation which causes state companies to lose money. Then there are other reasons, like Sao Paulo's complaint that the energy produced by Itaipu is more expensive than that produced by other plants. Yet the fact is that the default, total or partial, remains. Sao Paulo owes the Federal Government, just for this item, a mere \$6.5 billion according to the latest figures of the Finance Ministry.

Obviously, Sao Paulo's debt according to state accounts is quite different. The state admits that Eletpaulo [Sao Paulo Electricity Company] owes Furnas [Furnas Electric Power Plants, Inc.], the company that administers Itaipu, just \$1.5 billion. We do not want to establish who is right or wrong, we merely want to point out that when one party supplies something to another, and one party stops paying, the supplier must stop supplying since, in principle, it is the stronger party. This is what principle tells us. In this case, how can the government stop supplying a basic article like electricity? The states know that the Federal Government would never be crazy enough to impose such a drastic measure and adopt their most common line of action, which is: Never fulfill an obligation when your power to socially blackmail allows you to get away with it.

Renegotiation

Former Treasury Secretary [within the Collor administration] Roberto Figueiredo Guimaraes said: "The Federal Government is a kind of state hostage." This is why he forecasts that if Fernando Henrique [Cardoso] negotiates too much he will end up losing. [Bahia Governor Antonio Carlos] Magalhaes said: "He will be defeated if he deals with this matter politically because he will suffer pressures from governors and legislators," adding: "The

Federal Government has \$40 to \$60 billion in credits that were never repaid for two reasons: They were never guaranteed and there has always been a lack of political willingness." This week the Chamber of Deputies should receive a draft bill that was coordinated by Deputy Germano Rigotto (PMDB-RS) [Brazilian Democratic Movement Party - Rio Grande do Sul] with the help of state Finance Ministry secretaries and federal government treasury technicians. It contemplates another of the famous "renegotiations" of the state debts. The word "rescheduling" is as familiar to the ears of those following Brazilian economic-political developments as the word "ball" is for those who like soccer. The bill provides for the states having 20 years to pay the nearly \$60 billion that the Federal Government argues is owed by states. In return the states will pay their bills and thus deposit in the Treasury \$2.3 billion more than the \$3 billion they paid last year.

There are already two problems on the horizon. First: The percentage reserved by the state revenue offices to pay their debts. The Finance Ministry wants them to earmark between 11 and 15 percent of their revenues. The states screamed over this and, with Sao Paulo Governor Luiz Antonio Fleury Filho at their head, answered that the maximum they can give is 7 percent. Second problem: Those states that have always paid on time—yes, they exist, and it must be stressed that the classic examples are Santa Catarina and Ceara—demand preferential treatment in reward for their good behavior. They demand a longer repayment term than the other states. The other states do not agree.

There have already been other ambitious attempts to reschedule the state debts. The most recent was in December 1991, when the Chamber of Deputies approved a wide-ranging bill, similar to the current one, even to the point of allowing the Federal Government to use the ICMS [Goods and Services Movement Tax], which bankrupt states use as collateral. Time has passed, the states did not sign the rescheduling agreement and continue in the best of both worlds, that is, they continue not to pay. This is typical. The weakness of the Federal Government in face of the states. When there is conflict between a governor and the president, the governor is a giant and the president a dwarf, despite appearances.

The Red Line

In 1992, during the Collor administration, Sao Paulo Governor Fleury instructed the Federal Government to act as guarantor for a loan totaling \$1.3 billion from the World Bank and the IDB [Inter-American Development Bank]. In exchange, the Treasury demanded a guarantee for the total value of that loan, preferably in shares and bank assets. Fleury said no to the Federal Government. The most he offered as a guarantee was the value of the greatest installment with which he intended to pay the loan: \$260 million. He offered school buildings and clinics as a guarantee. Impasse. Treasury experts not only complained at the low value of the Sao Paulo guarantee, but mostly over the absurd situation of

offering schools and clinics—which are nonliquid, non-negotiable, and not likely to be impounded. Fleury then sent a letter to Collor, which was transcribed in Order No. 033/92 for the advisers of the then Finance Minister Marcilio Marques Moreira. It was written in unforgettable terms on account of the arrogance with which the president demanded the minister to “instruct” his advisers, and through which Fleury won the dispute. Collor ordered exactly what the Sao Paulo governor demanded.

Also during Collor's administration, Bahia Governor Antonio Carlos Magalhaes decided to open 39 new branches of the Bahia State Bank. The Bahia State Bank president asked for authorization from the Central Bank, following the rules. The Central Bank said no. The Bahia State Bank president said that he would open the 39 bank branches anyway because it was the will of the governor. That was done, that is what was allowed to be done, and that is how the situation is until the present.

Another example of how easy it is for a governor to victimize a president is the Red Line subway project of Rio de Janeiro Governor Leonel Brizola. Using the good argument of hosting the ECO-92 [UN Conference on Environment and Development], Brizola obtained financing from the Federal Government—even though it was bankrupt and bleeding from inflation and debts—for the construction of the first stretch of his subway line. The financing was agreed in the following manner: a \$50 million nonreimbursable loan directly from the Treasury and \$50 million, which would be guaranteed by Rio de Janeiro State. Brizola boasts that in the end the subway cost less than the planned \$150 million—it cost \$123 million. But he can really boast at his smartness. The pro-rata cost distribution ended up with \$61.5 million from the BNDES [National Bank for Economic and Social Development] (50 percent), \$49.2 million from the Federal Government (40 percent), and just \$12.3 million from Rio de Janeiro State (10 percent).

It is well known that Brizola was nervous about that construction—and he will probably continue to be nervous about the second stretch of this subway line that is now beginning. Any difficulty encountered during the construction and he would grab the phone and directly make demands from Collor. “The worst point is that it was never clear what the governor gave in exchange to the Federal Government,” states a high ranking BNDES official of those days.

“On the contrary, Brizola gave us a very hard time over the privatization issue.” We are now entering a very typical and picturesque sphere. Why does the president satisfy the governors? To obtain their support, translated into the votes of his congressmen. It is true that Brizola tried to help Collor at the beginning of the impeachment process, but his state bloc did not. “We did not vote for anything in favor of Collor,” states Deputy Luiz Salomao (PDT-RJ) [Democratic Labor Party—Rio de Janeiro]. The Collor-Brizola love affair remained suspended, standing out from everything else. The typical

and picturesque aspect of this is that it belongs to the whole mythology of Brazilian politics in which it is believed that by pleasing a governor the president will improve his situation before Congress. But not necessarily. Anyway, the president bends, in fear of the governor.

Being a governor is advantageous for several reasons. One is that state patriotism is stronger than federal patriotism. When something is made in name of “the state interest”—and by this we must understand taking money from the Federal Government—the governors manage to unite their bloc of congressmen. Last week Ceara Governor Ciro Gomes phoned, one by one, the 22 deputies and three senators of the Ceara bloc in Congress. He needed everyone's support to get the Senate to approve the construction of a canal in Fortaleza. He obtained the support of congressmen ranging from Deputy Maria Luiza Fontenele, his leftist political opponent, to Senator Mauro Benevides, his rival from the PMDB [Brazilian Democratic Movement Party].

Another reason for the advantageous position of the governors is that the states have more visible objectives than the Federal Government. Building a canal or paving a road are easier to understand than an abstract concept like combating the public deficit, and it is nearly impossible to oppose them. It was never known if Deputy Roberto Campos—despite being an orthodox economist and a champion of strict budget control and of the privatization process, beside being a notorious opponent of Governor Leonel Brizola—ever raised his voice against the Red Line subway. As a deputy for Rio de Janeiro, he would never do that.

Nicaraguas

One other advantage for the governors: With few exceptions, like Sao Paulo and Rio de Janeiro, the media is on their side. If there is something that works as a destabilizing factor on behalf of the powerful people in Brazil nowadays, it is the media. The media reveals scandals, overthrows ministers, and places presidents in check. But even in large and developed states like Minas Gerais and Rio Grande do Sul, the media does not oppose the governors. This is a story that begins with a tradition, which establishes that it is “patriotic” to stand by the governor, and ends with a practical reason—the dependency of regional newspapers on the income from the publicity of state governments. Without an adverse media, a governor's public and private life, which is always closely monitored by the media, is not subject to any frights. In the field that most interests us, which is the governors' responsibility in generating inflation, the media does not demand anything from them. The media does not even acknowledge the problem.

There are some very curious situations worth noting in the states. In Minas Gerais, Governor Helio Garcia is notorious for the way he eludes national debates, disappears from dinners, escapes from work, and hides from responsibilities. But he is still able, by some mysterious means, to

have those characteristics described as charming traces of the "Minas Gerais character" and to count on the support of virtually all deputies. A total of 55 of the 77 deputies of the Legislative Assembly support him. They meet in the glamorous Minas Bloc of Democratic Reorganization, a name that resembles a military movement that takes power to "save" a country. In Alagoas, Colonel Rochinha [not further identified] and First Lady Denilma Bulhoes rule in the state. This is not a question of names, it is a fact—they have formed a junta that has virtually taken power. We have come to this conclusion: States viewed alone look like Guatemalas or Panamas. Even the most developed one, Sao Paulo, has Nicaraguan moments. A traveler coming from Minas Gerais and getting close to Riveirao Preto will encounter the Octavio Quercia Bridge—named after the former governor's father. Driving through downtown Pedregulho, the memorable cradle of the same governor, and nearing the district where he was born, Igacaba, the driver will find a street called Izauro Roque Quercia—named after his mother. Nearby is a street called Antonia Rios Quercia, named after his stepmother. And on top of all we have "The Mother-in-Law Theater," as people know the Araras Theater, in the interior of Sao Paulo State, which was built at the request of that governor's mother in law, even though the city is visited by theater companies about as often as earth is visited by Halley's Comet.

Likewise, in the golden days of Nicaragua, during [former] President Anastasio Somoza's government prior to the Sandinista administration, one arrived at Somoza Airport, took the Somoza highway toward the Somoza Shopping Center, where one would stay at none other than the Somoza Hotel, of course.

This veritable constellation of Nicaragua-like states, as Brazilian states could be considered—and let us remember that the governor of the learned Rio Grande do Sul State, which separatists say would be more dignified and better-off if it became independent of the rest of the union, recently visited Europe accompanied by a retinue that would turn Central African Republic authorities green with envy—could only impart a Nicaraguan-type management, like that prevalent during Somoza's time, to its respective state banks. This is precisely what is happening. Staff expenses of the 31 state banks represent 82 percent of administrative expenses compared with 59 percent in private banks. In other words, they have an exceedingly large payroll. And yet this is just trivia. Let us consider this other matter—66 percent of state bank lending goes to the states themselves. This is the absolute limit. No bank is entitled to lend money to its comptrollers, but authorities turn a blind eye when lending concerns official banks because the loans allegedly have a "social" purpose. "Social" is the buzzword in Brazil.

Middle of the Line

What with loans and loans to themselves which, after all, is what a state bank does when it gives a loan to its state governor, the banks are drained of their resources,

especially every four years at the time of elections. The state bank then turns to the Central Bank for help. Even though the Central Bank is in no way obliged to shoulder the deficit of the state governments, it ends by getting the state out of the red because, as a general rule, the Federal Government always bows to governors. This is the clearest and most didactic example of how state governments stoke up the inflation furnace. An outstanding example of the show put up by state banks involves Orestes Quercia as the leading protagonist on the eve of the 1990 elections. Notwithstanding the fact that the state treasury was in a dire financial situation, the governor scattered tractors along highways and continued with his works as if he were rolling in money. The trick he pulled was the \$600 million he drew from the Banespa (Sao Paulo State Bank) as "advance on revenues to be collected from the ICMS." With interest, that debt currently amounts to \$900 million. There is, moreover, an instructive detail—Banespa does not enter this advance as losses in the account book, but as accounts receivable. This enables Banespa to submit healthy financial statements, which are as trustworthy as the optimistic medical reports released during President Tancredo Neves' [who died before assuming office in 1985] illness.

Werlang, the author of the aforementioned research on state banks, asserts: "The credit portfolio of state banks is pitiful. It entails loans to politicians, or even to the State, that will not always be returned. Consequently, the bank has to resort to the Central Bank for a rediscount or an emergency loan. The state debt thus becomes a federal debt. In the small states the amount is not significant but in the case of the larger states like Sao Paulo, Rio de Janeiro, Minas Gerais, and Rio Grando do Sul this situation generates significant deficits."

The governors have the great advantage of being in the middle of the line, not at the end. This means that they have someone to which to pass the problem, which in this case, is the Federal Government. Another point in their favor is that they take advantage of the confusion and low spirits prevailing in Brasilia. Another point, probably the most important of all, is that they can take advantage of the current confusion generated by the 1988 Constitution. As everyone knows, this Constitution considerably increased the revenues of the states and municipalities. One only needs to recall that Article No. 159 provides for the transference of no less than 47 percent of the two largest federal taxes—income tax and the IPI [Tax on Manufactured Products]—to the states and municipalities through participation funds. Never before in Brazilian history has there been a rule ordering the compulsory transference of such a high percentage of resources to regional and local administrations. Nevertheless, and this is an ambiguity of the current federative crisis, the controversy between the Federal Government and the states continues.

Brasilia Subway

The Constitution first established that each administration would keep its own resources and not be bothered with others. The federative structure would be more similar to the U.S. structure where it is inconceivable for a Texas governor, for example, to exert pressure on the president to build a bridge in exchange for his support in Congress because, in the first place, there isn't the money to do so nor does the governor have any influence on any congressional bloc. In Brazil, however, despite the compulsory constitutional distribution, the Central Government still continues to make the so-called voluntary transfers, including those imposed by the much-talked-about amendments to the budget imposed by senators and deputies. The business of getting something in exchange for support continues and this results in projects like the Brasilia subway which contradicts the very essence of a subway, that is, as a means of transportation designed for crowded cities where there is no room on the surface left to circulate, while Brasilia—a city characterized right from beginning by spaces—will never have circulation problems.

Professor Aspasia Camargo, in her study, states: "None of the parties ever really implemented" the new constitutional order. Therefore, the Central Government continues to be regarded as the "inexhaustible distributor of benefits, as if it still has the capacity to perform the old duty of supervising state and municipal projects." In other words, neither of the two parties, as Aspasia pointed out, has assumed the new order. This means the governors continue to beg and the Federal Government still feels it is its duty to give. Aspasia adds that the Brazilian policy continues to be ruled by the principle that "the act of distributing is the greatest gift, proof of the Federal Government's zeal and interest in the future of each and everyone of its children." In few words, the Constitution changed everything in terms of federative relations, except for one thing: The leaders. In other words, the main issue has not changed.

Retired Colonel Appointed Federal Police Secretary

PY0907232093 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 9 Jul 93

[Text] Wilson Brandi Romao, a retired Army colonel, was appointed last night as secretary of the Federal Police [PF].

Brandi Romao served twice as acting agriculture minister in the administration of President Itamar Franco. He will have carte blanche from both the president of the Republic and the justice minister to bring order into the force.

Upon announcing the appointment last night at Planalto Palace, Justice Minister Mauricio Correa clearly stated the government's position regarding a possible strike by PF personnel:

[Begin Correa recording] I would like to make it clear that neither President Itamar Franco nor I will tolerate insubordination, breach of discipline, or a break in the chain of command. [end recording]

Correa also said that the government will not relinquish its authority, and that it is not afraid of a PF threat to strike. He added that President Franco has already ordered the federal administrative secretary to give priority to the career structure of PF personnel.

He also noted that the Finance Ministry has already supplied funds to the PF to pay all of its debts and personnel expenses. The new PF chief will be installed at 0900 today at the Justice Ministry.

Federal Police Extradite Mafia Drug Trafficker to Italy

PY1107022893 Madrid EFE in Spanish 1359 GMT 10 Jul 93

[Text] Belo Horizonte (Brazil), 10 Jul (EFE)—The Federal Police reported today that Vincenzo Curcelli, an Italian drug trafficker and member of the Mafia, has been extradited to Italy. Curcelli had sought refuge in Brazil after dodging a sentence of 15 years' imprisonment by being released on probation.

The surrender of Curcelli to Italian authorities, who filed the extradition request when it came to their knowledge that Curcelli was being held in custody in the city of Belo Horizonte, was decided a month ago by Brazilian President Itamar Franco.

Curcelli, 46, was arrested some months ago by the Federal Police, and faced charges of corruption of minors, drug trafficking, and forging of documents. He entered Brazil using a false passport.

The Federal Police said that as soon as Curcelli had obtained probation status in an Italian court for serving his sentence of 15 years, he fled his country.

According to the Federal Police, Curcelli was tried in Italy for peddling drugs, kidnapping, and being a member of the "Cosa Nostra" mafia.

Chile

Portuguese President Soares Arrives for Visit, Comments

LD0907212593 Lisbon Radio Renascenca in Portuguese to Europe 1600 GMT 9 Jul 93

[Text] President Mario Soares arrived in Chile not long ago. Waiting for him at the airport was his Chilean counterpart. Let us hear a report from the airport, from Williams Rebolledo of Radio Santiago de Chile:

[Rebolledo in Spanish] I am speaking to you from a mobile studio of Radio Chilena from the Santiago International Airport. The president of Portugal, Mario

Soares, has arrived in Chile. He was welcomed at the airport by the president of the Republic of Chile, Patricio Aylwin:

[Begin Aylwin recording in Spanish] First, I would like to say that it is a great satisfaction for me—and I would like to express the feeling of all Chileans—to receive President Soares, a great friend of Chile and a great democrat, in our country. Please accept our most cordial welcome. [end recording]

President Soares then expressed his joy at being in our country:

[Begin Soares recording] I am very happy to be in Chile again. I am here in response to an invitation from President Aylwin, a person I most admire and esteem. It is also a great pleasure to be here with the foreign minister [Henrique Silva] who has been a very close friend of mine for many years. [end recording]

Tomorrow President Mario Soares will be going to Punta Arenas, the most southern city in the world, where he will visit the Magellan Strait. He will start the official visit to our country on Monday, during which he will meet with President Aylwin, the President of the Supreme Court, and the National Press Association.

[Announcer] That was a report on the arrival of President Soares in Chile, where he will be staying for five days and during which, according to what is being said, he will try to avoid General Pinochet.

To Meet With Aylwin

PY0907234693 Santiago Radio Cooperativa Network in Spanish 1700 GMT 9 Jul 93

[Text] Portuguese President Mario Soares arrived today in Chile for a five-day visit. He was welcomed at Santiago International Airport by President Patricio Aylwin and his wife Leonora Oyazun. The Portuguese president and his wife, Maria de Jesus Barroso, today began a private visit to Chile; tomorrow he will leave for the southern port of Punta Arenas, where he will stay until Sunday, 11 July. On Monday he will begin his official visit to Chile.

In Punta Arenas, Soares will pay homage to Navigator Fernando de Magallanes, who in 1520 discovered the strait that carries his name, and which unites the Pacific and Atlantic oceans.

Upon arriving at the airport the Portuguese president was insistently pestered by the press about remarks attributed to him that he would not participate in any ceremony in which Pinochet would be present. Soares gave indirect answers, which left reporters with the same doubts.

[Begin recording] [Unidentified reporter] Remarks referring to Army Commander General Pinochet have been attributed to you. Can you confirm or deny them?

[Soares] I can neither confirm nor deny them. I was invited by President Aylwin, and I can refer only to President Aylwin. [end recording]

In his first official activities in Santiago, the Portuguese president will meet on the morning of 12 July with President Aylwin, and the following day the two presidents will sign a joint declaration.

The visitor will also be received by a plenum in Congress, and on 14 July, together with President Aylwin, he will leave for the Brazilian town of Salvador, Bahia State. The two presidents will participate there in the third Ibero-American summit of chiefs of state and government, to be held 15-16 July.

UK Said 'Very Interested' in Investing Due to 'Democratic Normalcy'

PY0907140993 Santiago Radio Cooperativa Network in Spanish 1100 GMT 9 Jul 93

[Text] Michael Portillo, British chief secretary of the Treasury, stated that Great Britain is very interested in investing in Chile due to the democratic normalcy that prevails in our country.

Portillo met with Foreign Minister Enrique Silva Cimma.

[Begin Portillo recording] I am accompanied by representatives of five very large British companies interested in the gas pipeline between Argentina and Chile. These companies have vast experience in the transportation and distribution of gas and electricity plants. I wanted to mention that these companies, which are represented by high-ranking officials, are deeply and genuinely interested. [end recording]

Portillo said Great Britain aspires to free and fully regulated trade:

[Begin Portillo recording] We also have discussed the need for an agreement on double taxation and one to promote and protect investments between our two countries. We have fully agreed on the need for this, and I was assured that negotiations between the two countries will continue. We have great hopes these agreements will be signed soon. These agreements between Great Britain and Chile will give trade between the two countries a good boost. [end recording]

Portillo added that Great Britain, like Chile, is signing bilateral agreements with every country.

Negotiations with other countries, such as Germany for example, are under way and this established a precedent.

Regarding the British opinion of the economic model used in Chile, Portillo commented:

[Begin Portillo recording] Well, the fact that I, in my capacity as finance minister, am here reveals that we acknowledge the great progress made by Chile in improving its image and in the political field. Current

Chilean economic indicators are spectacular. Chile has made very significant progress. Therefore, I want to give British companies more information on the investment opportunities there are in Chile. This is why I am accompanied by representatives of such important British enterprises. I also want the British media to write more about the current investment opportunities there are in Chile. [end recording]

We admit that the Chilean political situation is fully stable and this means full normalcy and guarantees for British investors.

Colombia

Armed Forces, Army Commanders Voice Opposition to Dialogue With Guerrillas

PA1107225993 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 1800 GMT 11 Jul 93

[Text] Army and Armed Forces commanders have voiced their opposition to any dialogue initiative with the guerrillas. The military option is the only alternative to defeat subversive groups and pacify the country, according to Armed Forces and Army commanders, Generals Ramon Emilio Gil and Hernan Jose Guzman, respectively.

The generals rejected the attitude assumed by the government concerning talks with some rebel groups, adding that the Armed Forces are indeed defeating armed groups. They asserted that this fact cannot be denied.

[Begin recording] [Guzman] We are hitting the guerrillas real hard and that is a fact.

[Unidentified reporter] General, do you believe in the guerrillas' desire for peace?

[Guzman] I have never believed in the guerrillas' desire to attain peace because they have not demonstrated it with deeds. [end recording]

Meanwhile, Gen. Ramon Emilio Gil, Armed Forces commander, said that no one in the country believes in the rebels' real desire for peace. In the past, he added, the guerrillas have taken advantage of the talks with the government to rearm themselves.

[Begin Gil recording] Some groups that are permanently engaged in criminal actions certainly have no real desire for peace. [end recording]

Smugglers Said Supplying Weapons to Guerrillas

PA1207000093 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 1800 GMT 11 Jul 93

[Text] Defense Minister Rafael Pardo has denounced that smugglers in the Pacific region are supplying Colombian guerrillas and drug traffickers with weapons.

In Zapzurro, a Gulf of Uraba beach a few meters away from the Panamanian border, the authorities have seized 170 rifles that belonged to the Dignity Battalions of Panama, a force that was at the service of [Panamanian] General Noriega.

Seventy of the rifles that were found were returned by the Panamanian National Guard to traffickers and ended up in the hands of the guerrillas and paramilitary groups that operate in the Uraba region of Antioquia. [sentence as heard]

[Begin recording] [Colonel Fernando Becerra Pacheco, commander of the 1st Army Division] Where were the weapons going to be taken? They were not heading for Venezuela. People were trying to smuggle them here but they were unsuccessful because the Navy is always conducting operations.

[Defense Minister Rafael Pardo] Right now in Central America and the Caribbean there is a large and illegal weapons market as a result of the demobilization of violent groups in Central America. There is much weapons trafficking. [end recording]

Thousands of rifles from El Salvador, Nicaragua, and Panama have transited here this year.

You can see how Col. Becerra is looking with concern at this seized R15 rifle. Scores of rifles like this have been seized this year. This is a light and high-precision weapon.

This is Totumo Beach. Smugglers drop their merchandise here every day. The weapons are mingled with the merchandise.

These soldiers are training at a Turbo Base to tour the Gulf. These waters are constantly patrolled. Smuggling is profitable for those who add machine guns, rifles, or grenades to the boxes containing television sets or sound equipment.

[Begin Turbo Base Commander Navy Captain Jorge Gomez recording] That materiel is placed in all sorts of ships. We have been able to detect it due to the control the Navy exerts in the Gulf. [end recording]

There are not many alternatives for controlling weapons smuggling in Uraba. A shipment for the guerrillas, the paramilitary, or drug traffickers could be arriving right now at any of the 800 km of beach in this area.

Santa Fe de Bogota Public Prosecutor 'Seriously' Injured by Gunmen

PA1007044193 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0300 GMT 10 Jul 93

[Text] Alfonso Triana Rincon, public prosecutor for the Departments of Santa Fe de Bogota and Cundinamarca, was seriously injured during an attack by gunmen in western Santa Fe de Bogota on 8 July. The shooting

occurred on Boyaca Avenue and 60th Street when five men in a vehicle intercepted the vehicle in which Triana Rincon was traveling.

The attackers opened up with several bursts of submachine gun fire against Triana Rincon, who was seriously injured in the chest and abdomen.

Alleged Cali Cartel Strongman Injured in Accident

PA1007025993 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 0000 GMT 10 Jul 93

[Report by Miriam Ortiz]

[Text] Diego Montoya Sanchez, accompanied by his six-year-old son, and bodyguard John Jairo Giraldo were heading from Rio Frio to Cali at about 2030 [date not given] when they suffered an accident that almost took their lives. They were seriously injured and taken immediately to Our Lady of Remedios Clinic in northern Cali.

Ten heavily armed men cordoned off the clinic to offer him security. This suspicious situation prompted the police to stage immediately a special operation to determine what was happening:

[Begin Cali Police Commander Luis Diettes recording] The clinic was closed and a search was conducted. Individuals bearing weapons were arrested. We took them to police headquarters to investigate their backgrounds. [end recording]

Although there is no arrest warrant out for Diego Montoya, state intelligence organizations think he is a strongman of the Cali Cartel. Intelligence reports indicate Montoya, known among his peers as Don Diego, worked with Ivan Urdinola Grajales in northern Valle del Cauca Department in 1990 and manages the business of presumed drug trafficker Gilberto Rodriguez Orejuela.

The 10 bodyguards are being investigated by the Prosecutor's Office and Diego Montoya Sanchez and John Jaime Giraldo are receiving treatment in the intensive care unit. They apparently suffered leg fractures. The doctors declined to give details on their condition. Meanwhile, 150 police officers are surrounding the square where the clinic is located.

Sources Say Escobar Surrender 'Seems More Remote Than Ever'

PA1007145993 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 0000 GMT 10 Jul 93

[Report by Azucena Lievano]

[Text] Sources have reported that the surrender of Pablo Escobar Gaviria seems more remote than ever because of recent developments including the situation his relatives are facing in Chile and Costa Rica and the murder of one of his lawyers on the evening of 8 July.

Only three weeks ago events suggested the drug kingpin would surrender to justice. For instance, there was a meeting between his lawyers and the prosecutor general and Prosecutor General Gustavo De Greiff himself visited Itagui. The situation, however, has taken a different turn.

First, it is said Escobar fears for the safety of his children and wife and believes he can better protect them if he is free. Second, although his security has been diminished he maintains weapons caches at residences and farms near the capital of Antioquia Department. Third, he still trusts his sole remaining subordinate, namely, Alonso Leon Puerta, alias El Angelito.

It is also said he is facing financial restrictions because he cannot control the drug routes and is facing legal restrictions because he does not have a lawyer. The authorities think Pablo Escobar settled accounts with his lawyer Salomon Lozano by ordering his murder and this will prompt people to leave him.

Another theory is that the surrender process is being torpedoed. The current worry of the authorities is that Escobar could do two things if he successfully finds his relatives: surrender or carry out a bomb attack.

*** Claims of Low Police Salaries Investigated**

93SM0309A Santa Fe de Bogota EL ESPECTADOR in
Spanish 6 Jun 93 p A4

[Article by Sandra Sanchez W.: "Budgetary Excuses in the Police Force"]

[Text] One of the excuses used to explain, in part, the crisis affecting the National Police Force is the budgetary deficit, which makes it impossible to set more or less reasonable salaries for police agents on the force.

This reality is so clear that no one dares to question the need to raise the salaries of members of the National Police Force.

Nevertheless, the arguments which support the lack of money to support a salary increase were refuted when the Office of the Public Prosecutor proved that in budgetary terms the police do not have much to complain about.

After analyzing the budgetary allocations for the police and, obviously, their use, the Office of the Public Prosecutor reached a conclusion which seems encouraging: the police, among the various security bodies, are more "pampered" in terms of the money which they receive.

The Office of the Public Prosecutor stated: "The analysis proves the significant importance of the National Police Force from the budgetary point of view, compared to the institutions which control the police, as well as other public bodies which have a corps of technically qualified people who perform similar functions." The office stated this, despite the fact that in the past year the allocation for the police was reduced from 39 to 32 percent of the total security budget.

The report of the Office of the Public Prosecutor continued, stating, in effect, that: "between 1992 and 1993 the police budget declined by 7.0 percent as a proportion of the budget of the defense sector. On the average, it went down to 32 percent of the total security budget. In 1992, out of a budget for the defense sector of 702.72 billion [Colombian] pesos, the police had a budget of 270.546 billion pesos, or 39 percent of the budget for the defense sector."

The question should be looked at from the point of view of the purpose of the money provided. Nearly 96 percent of the budget earmarked for the police goes into operating costs. Of this total, barely 27 percent covers salaries of officers, noncommissioned officers, and ordinary patrolmen of the police force.

According to the statistics analyzed by the Office of the Public Prosecutor, the police force presently has 97,205 persons on the payroll, including senior officials, advisers, executives, professional personnel, technicians, administrative personnel, operatives, teachers, judges, students, and ordinary police on the beat. Paying their salaries involves an annual expenditure for the force of more than 250 billion pesos. Clearly, this only covers salaries and does not take into account allowances, bonuses, etc.

Although the figures are high, they reveal that the 67,100 police agents—including 65,676 professional police personnel and 1,424 special agents—receive an average salary of 137,550 pesos per month.

"Extra" Money

To the basic salary are added allowances to which police personnel are entitled, depending on the number of children they have. This situation shows that there is "salary discrimination," as long as the principle is applied under which the policeman who has "more children has a higher salary."

An investigation carried out under the direction of Alexandra Baquero, the Deputy for Budget Affairs, indicates that the salary can increase by as much as 47 percent when a police agent has up to four children.

Statistics show that these allowances cover 112,545 minor children, including 86,055 children of married police agents and 26,490 children of the 962 unmarried police agents who have children.

As additional benefits the Police Force offers hospitalization, education, recreation, and medical care services for members of the service and their family members. Nevertheless, these are services which do not cover all police personnel. For example, "only 6,710 police personnel have access to vacation centers, due to their ability to make use of them and their location."

Therefore, the lack of total coverage of social welfare services "amounts to a net reduction in the purchasing power of a police agent in terms of his income."

Then come the problems: delays in health services or an inadequate supply of medicine. In the field of public housing, "the number of police agents who have access to it through the Military Housing Fund is minimal." Although for 15 years money has been provided under this heading, payments are in arrears, "a situation which leads the great majority of police agents to look for their homes in low quality, residential neighborhoods."

The situation facing police personnel is even more discouraging when it is compared with conditions affecting those who hold similar positions or jobs in the DAS [Administrative Department of Security] or in the Office of the Public Prosecutor. While police agents are subject to call at any time, in the open air, they receive smaller salaries than those who have special assignments.

The conclusion, which is not particularly new but which is official, since it was issued by the Office of the Public Prosecutor, is simple: "Although it is true that the average income of police agents is apparently sufficient, this is not purely a matter of arithmetic, since not only are there differences in social welfare services available to them but also money is withheld which affects their income."

The solution suggested by the Office of the Public Prosecutor is simple: higher salaries. For example, the minimum salary for police agents should be about 343,350 pesos per month, plus allowances and subsidies amounting to 256,343 [as published].

Only through a salary increase will a brake be put on "extra" activities which contribute to corruption in the police force.

* Plan To Save Agricultural Bank Outlined

93SM0315A Santa Fe de Bogota EL ESPECTADOR in Spanish 8 Jun 93 pp 1, 6B

[Article by Henry A. Rodriguez B.: "Last Chance for Agricultural Bank"]

[Text] Santa Fe de Bogota—In a last-ditch effort to save the Agricultural Bank [Caja Agraria], the full session of the Congress pledged to defray the costs of the bank's pension-related liabilities, which are estimated at 42 billion pesos this year, and to forgive the 10 billion pesos in fines that it owes.

Moreover, it resolved to accelerate the bank's capitalization, to which end the federal government will transfer to it the shares of the Foreign Commerce Bank (Bancoldex) that it owns. They will be sold by the Agricultural Bank under a trust agreement with the Financial Institutions Guarantee Fund. By this route it will receive 89.74 billion pesos.

The plan is contained in a document that has been in preparation for more than a year, and that will be signed this week by the minister of finance, Rudolf Hommes; the minister of agriculture, Jose Antonio Ocampo; the

director of Fogafin [Government Fund for Financial Institutions], Juan Guillermo Serna; the bank superintendent, Jose Elias Melo, and the president of the Agricultural Bank, Santiago Tobon Rubio.

"These measures will save the bank once and for all. The crisis of the past three years has been completely surmounted," Tobon remarked.

In spite of this government aid, the bank's balance sheet still contains 70 billion pesos in doubtful-loan debts. Most of these loans were granted to small peasant farmers who have been hit by tragedies such as the flooding in the southern part of Atlantico Department, the Popayan earthquake, or the Armero avalanche.

A plan has been prepared to clean up these liabilities. The government will buy the debt from the bank and hand it over to the municipalities, which will then go about collecting it. They can invest whatever they recover in social projects.

As an incentive for recovering the money there will be a joint financing arrangement. It will operate thus: for each peso that the municipality recovers from the portfolio, it must contribute a percentage to a solidarity fund, to which a central government agency will also provide capital.

This system has been implemented in Mexico, where it has worked well, because the fund is managed by the debtors themselves, who in turn benefit from the projects. This provides a major element of social oversight, inasmuch as local residents reason as follows: if we pay up, we get money from the municipality and from the government and we can build a road, for example.

Giving Away the Portfolio

To test whether this can work in Colombia, the Agricultural Bank will implement a pilot plan during the second half of this year. It will seek to recover an initial 2 billion pesos.

All of these decisions began to be looked into more than 12 months ago and hinged on the bank getting results from its efforts to cut staff, to attract more funds through checking accounts, to slash operating expenses, to widen the interest rate spread, to streamline the network of offices, to implement a standardization strategy, and to achieve greater professionalism from its workers.

Had these things not been done and had the bank not been shown that it was viable and had a future, the government would have even considered liquidating it. But after seeing the drop in losses and the improvement in efficiency indicators, it decided to give the bank one last chance.

After examining the successes this past year, the government's economic team concluded that today the Agricultural Bank "has a new lease on life and that with the cleanup it will be able to operate much more calmly," the bank's president explained.

Over the past three years the bank's monthly losses averaged 2 billion pesos; the red ink then began to decline, eventually reaching 500 million pesos last March.

The bank was not recovering fast enough, however. And its capitalization was too slow as well, even though it received an infusion of 24 billion pesos last December.

Solution to the Big Problem

The Agricultural Bank's most serious problem has traditionally been that it cannot generate enough funds to pay its pension liabilities.

It is supposed to pay out 42.8 billion pesos in this connection this year, and the figure will practically double next year. Its total liabilities are close to 200 billion pesos.

The root of this serious predicament is to be found in the manner in which collective bargaining agreements have been handled. Under them the bank today has the most expensive workers in the entire financial system. One of its workers costs two and a half times as much as an employee in any other bank.

Although the bank has been able to afford this excessive salary, it has been unable to cover its overall pension liabilities, because, among other things, it is located in many places where social insurance does not exist.

In light of this serious problem the government made a political decision to assume the costs of labor liabilities over the period of a decade.

The funding for this purpose will come from the national budget, and the upshot of this transfer should be, according to Tobon, a bank with replenished assets and without pension liabilities, a bank that can serve as the financial arm of a farm sector recovery.

"Obviously the bank is now in a much more balanced condition, with a much more realistic chance to stabilize its operations to the point of not posting losses," he added.

Another consequence of this bailout is that the government will not have to send the bank more collateral capital. In December 1991 this capital amounted to 108 billion pesos, increasing by 36 billion last February.

This collateral capital enabled it to operate over the past two years, inasmuch as in 1991 there were grounds for liquidating it. But until the bank receives an infusion of assets of its own, it will always face serious financial difficulties.

Hastening Capitalization

Another fundamental element in aid to the bank is the hastening of its capitalization.

Part of the capitalization is going to come through government shares in Bancoldex.

According to the document that will be signed this week, the bank will enter into a trust agreement with Fogafin so that it can sell the shares on the market.

This means that the shares will be turned into cash for the bank. The fact is that once it receives the shares, its financial structure will be in balance.

Unpaid Fines

Another part of the program has to do with the fines that the bank owes.

The largest ones date back to 1991, when there were grounds for liquidating it owing to a huge shortfall in capital resources.

Some 10 billion pesos in monetary fines were imposed on it at the time.

If it paid them, it would be as if the government took the money out of one pocket and put it in another.

Therefore, the document containing all of the measures indicates that the fines are going to be swapped for equity as well.

The fines that the bank owes are not going to be forgiven, because that is not possible; rather, it is going to pay them in the form of shares, which are going to wind up with the government. In other words, they are going to be swapped for equity.

Why Rescue the Agricultural Bank?

"Liquidating the Agricultural Bank would cost a lot more than rescuing it. Savers and checking account holders would have to be given their money back. Liquidation costs a great deal. This is why rescuing it is best," Tobon Rubio indicated.

"The Agricultural Bank today is not the same 'financial hole' it was before."

To make sure that this is the case, the government and the bank's directors created an internal comptroller's office, which will promote and tighten oversight.

Previously, by the time the bank's problems were made public it was too late. Now the idea is that the internal comptroller's office will anticipate all of these difficulties and thus be able to come up with solutions.

Senate Committee To Study Drug Problem

93WD0668B Santa Fe de Bogota EL ESPECTADOR
in Spanish 8 Jun 93 p 5A

[Text] Santa Fe de Bogota—Yesterday, the Senate president, Tito Rueda Guarin, formed an ad-hoc committee that will be assigned to study and submit its conclusions on the drug trafficking problems in Colombia.

The task force was comprised of members of Congress Claudia Rodriguez, Mario Laserna, Alberto Montoya, Fernando Mendoza, Enrique Gomez, Gustavo Galvis,

Dario Londono, Orlando Vasquez, Humberto Pelaez, Gustavo Espinosa, Jorge Ramon Elias, Hugo Castro, Roberto Gerlein, Bernardo Gutierrez, and Rueda Guarin himself.

As this newspaper reported last Wednesday, the Senate plenum approved a proposal appointing the committee to make an evaluation and submit its conclusions on the drug trafficking problems in Colombia, their consequences, and the state's capacity to eliminate them. This is to be accomplished within 90 days.

The aforementioned delegation will analyze the various proposals aimed at seeking a solution, and will consult various sectors of society for this purpose.

The rumor has started circulating in Congress that this task force may perhaps propose a possible decriminalization of drugs, an issue that has been aired locally and internationally.

Moreover, today Finance Minister Rudolf Hommes will explain to the Senate's Fourth Commission the policy to be pursued by the government in preparing the general budget of the nation for fiscal year 1994, associated with social spending, investment, and central government funds transferred to the country's departments.

Similarly, the upper chamber plenary, at its sessions this week, will have to approve a package of bills before the present legislature ends. The reason is that several of those bills are in the category of statutory laws, and hence must be transacted before the termination of the current legislative term, that is, 20 June.

Included among these bills is one providing for the right to religious freedom and freedom of worship, and the Electoral Code, a bill being studied by the lower chamber which, if not approved during this legislature, will fail.

* Samper Remarks on Drug Legalization Reported

* Denies Favoring Legalization

93P20200A Santa Fe de Bogota EL ESPECTADOR in Spanish 11 Jun 93 p 5A

[From the "Political Periscope" column]

[Excerpt] Liberal Party precandidate Ernesto Samper Pizano stated yesterday that he is not promoting the legalization of drugs, but rather is acknowledging that the international situation is such that it demands an equitable and just treatment for Colombia on the part of consuming countries. Samper made the statements as he began a visit to Bucaramanga on the eve of a month-long vacation in the United States.

Samper Pizano was responding to public statements on that subject made yesterday by Conservative Party candidate Andres Pastrana Arango, and he added: "It seems a shame for Pastrana to use, merely as a campaign issue, a topic which is so delicate for the country. It would be better for him to tell us what he thinks about Colombia's

problems such as unemployment, corruption, and the lack of security. That is what Colombians have been anxiously awaiting for the past year, during which time he has been completely silent."

A Clear Position

The controversy which arose yesterday between the two presidential hopefuls is viewed as a sign that the election campaign could be a heated one.

Andres Pastrana accused Samper of taking an ambiguous position with regard to the social security reform bill and for applying a double standard to other problems such as the legalization of drugs.

Precandidate Samper Pizano responded: "It is completely untrue that I am proposing the legalization of drugs. I have pointed to international sentiment favoring the legalization of consumption at the international level and I have said that Colombia has to demand that consuming countries take greater responsibility for reducing consumption and demand, because I believe that as long as there are not commensurate efforts toward reducing consumption and demand it will not be possible to control production. In that regard, my position has been that Colombia has to insist that consuming countries give equal treatment to the problem. There cannot be a situation where they are legalizing abroad and, at the same time, trying to get Colombia or producing countries to reduce production. If, over the medium term, the world does not strike a balance in this regard, it will be necessary for us to sit down and review antinarcotics policy. That is my position and has been for 15 years. What I am doing is stating a situation that exists." [passage omitted on unrelated topic]

* De La Calle Comments

93P20200B Santa Fe de Bogota EL ESPECTADOR in Spanish 18 Jun 93 p 5A

[Text] [Liberal Party] precandidate Humberto de la Calle Lombana, who returned just hours ago from the United States, invited his competitor Ernesto Samper Pizano to better clarify his views on the controversial topic of legalizing narcotics and not to change his position as events fluxuate.

De la Calle said that Samper's statements this week represent a 180 degree change relative to the position he defended so vehemently in the past.

"Samper's statements about the inadvisability of legalizing the distribution and consumption of narcotics are welcome. He finally corrected his myopia so evident in previous statements which had a completely different content. But hopefully political circumstances will not cause him to change his views again," said former minister De la Calle.

Samper was the object of criticism from various political sectors for not having been totally clear in the past few days on this subject. However, precandidate Samper

Pizano said without hesitation that clearly his position differs from the one he defended 15 years ago because current circumstances, propelled by violence, the consequences of drug trafficking, and other external factors, show that not only is legalization not viable, it is inadvisable.

* Hommes Concerned About Projected 1994 Deficit

93P20196A Santa Fe de Bogota EL TIEMPO
18 Jun 93 p 1, 8A

[Text] Excessive government expenditures for 1994, largely the result of numerous bills which Congress is approving and which are attached to the national budget proposal, will cause the deficit to soar next year.

Finance Minister Rudolf Hommes estimates that this financial imbalance could reach 2 percent of the GDP.

If one takes into account that, in 1994, each percentage point of total national production will be equivalent to more than 500 billion pesos, the shortfall in public funds can be expected to exceed 1 trillion pesos.

Speaking before the 4th Senate Commission, Hommes expressed his concern about the management of [public] funds in the coming year and warned that the government will try to make all the cuts necessary so that the deficit does not exceed 1.5 percent. In other words, cuts totaling some 250 billion pesos would be necessary.

According to Hommes, the excess spending will result from several bills passing through Congress. Agricultural reform legislation called for funds totaling 1.3 percent of the GDP (some 650 billion pesos). Funds totaling about 1 percent of the GNP (500 billion pesos) were committed in the electricity bill.

Hommes said it is also necessary to keep in mind the budget requirements of institutes and ministries.

He said that the practice of attaching bills to the national budget is harmful because it does not allow the government to formulate a harmonious spending package.

There will be no major fiscal problems for the remainder of 1993. This year the deficit will not exceed 1 percent of the GDP, that is to say some 440 billion pesos.

Despite the collapse of the war bonds, the government will have recourse to other measures to make up for the shortfall in funds. One of these is the issuing of treasury securities.

Hommes said that some of the expenditures envisioned for internal security, which includes the police and defense, will have to be postponed. However, he said these will not be cut because everything depends on the war bond contributions which the businesses can make. Those expenditures total some 37 billion pesos.

Responding to Senator Efraim Cepeda Sarabia's questions about the 1994 draft budget proposal, Hommes

said that it had not yet been finalized because the executive branch was awaiting a bill on funding for municipalities which was transiting the Senate and House. This bill was approved a few hours later.

The initiative is fundamental for defining the budget for next year since it sets the level of health and education spending in the departments and in the capital and special districts, and the municipalities' share of the current income of the country.

The bill set allotments at 23 percent for 1994 and fixed the municipalities' share at 15 percent. The allotments are the funds which the government must distribute to the departments in order to maintain programs for health and education.

According to Hommes, more funds will be earmarked for social spending for next year. In 1994 at least 38 percent of the current income will be designated for that purpose, especially for health and education. In the year 2002, the amount is expected to reach 42 percent on income.

The government will have to present the budget bill for next year during the first days of the new legislature which begins 20 July.

Ecuador

Industry, Commerce Minister Pinto Resigns

PA0907211293 Mexico City NOTIMEX in Spanish 2013 GMT 9 Jul 93

[Excerpts] Quito, 9 Jul (NOTIMEX)—Industry and Commerce Minister Mauricio Pinto resigned on 9 July thus confirming the most recent conservative Ecuadoran Government cabinet crisis. Pinto had tendered his resignation months ago and reconfirmed it last weekend when the umpteenth ministerial crisis took place.

During a news conference he denied differences with the president or cabinet members and claimed personal reasons forced him to resign. The now former minister of industry, commerce, integration, and fisheries pointed out he will spend time in private activities. [passage omitted]

Deputy Minister Alfonso Pozo Verdesoto will replace Pinto until a new minister is appointed.

Peru's de la Puente Meets With Duran-Ballen

PA0907154893 Lima Global de Television Network in Spanish 0100 GMT 9 Jul 93

[Text] Foreign Minister Oscar de la Puente Raygada, accompanied by Diego Paredes, his Ecuadoran counterpart, traveled to Quito to continue bilateral talks and prepare the agenda for the Ecuadoran president's visit to Peru.

De la Puente presided over a delegation of Peruvian businessmen who went to the neighboring country on a short visit. Shortly after arriving in Quito, Foreign

Minister de la Puente visited the Government Palace to meet with Ecuadoran President Sixto Duran-Ballen and plan his trip to Peru, which is tentatively scheduled for November. De la Puente said the two presidents will decide on the final date for the meeting when they meet at the Ibero-American Summit in Brazil.

After meeting with the Ecuadoran president, De la Puente met with his colleague Diego Paredes to complete the agenda that will be followed by both presidents in Lima.

De la Puente is scheduled to return to the Peru on 9 June.

Paraguay

President-Elect Wasmosy Holds Meeting With Al Gore in Washington 9 Jul

PY1007170793 Asuncion HOY in Spanish 10 Jul 93 p 22

[Item supplied by the recently launched Paraguayan National News Agency, ANN]

[Text] Washington (ANN)—Paraguayan President-elect Juan Carlos Wasmosy arrived in Washington and held a meeting with U.S. Vice President Albert Gore at the White House on 9 July.

The acting U.S. president congratulated Wasmosy on his leading role in the new democratic process that the Paraguayan people and the international community believe will help develop freedom in Paraguay.

Gore promised that his administration will make every effort to support the president-elect's social and economic development projects. Enzo Debernardi; Hugo Saguier Caballero; Richard Faihnberg, U.S. National Security Council adviser; and Alexander Watson, assistant secretary for Inter-American affairs at the State Department, attended the meeting.

Prior to his meeting with Vice President Gore, Wasmosy met with World Bank directors. The day before Wasmosy had a heavy agenda with top IDB [Inter-American Development Bank] and IMF officials and Paraguayan Ambassadors to the United States and the OAS Juan Esteban Aguirre and Ruben Melgarejo Lanzoni, respectively.

During his meeting with the acting U.S. president, Wasmosy outlined his government program and the political and economic situation prevailing in Paraguay.

Wasmosy advisers Enzo Debernardi and Hugo Saguier Caballero attended the meeting together with Richard Faihnberg, U.S. National Security Council adviser, and Alexander Watson, assistant secretary of state for Inter-American affairs.

Wasmosy told Gore that the Paraguayan economy is stable "but there are still agents that could threaten our incipient democracy, and it is our duty to strengthen our economy and democracy."

He explained, however, that he expects to have good relations with the current Paraguayan Congress where the opposition has the majority in both houses.

The president-elect also said that one of his priorities is to create the necessary awareness of the Common Market of the South, Mercosur. "Integration is not a friendship treaty. It is a challenge that should be met through education and training if we do not want to be left aside," Wasmosy added.

Gore, who is acting U.S. president because President Bill Clinton is attending the G-7 summit in Tokyo, conveyed his confidence that Wasmosy will steer Paraguay on the right course and will be able to shore up its democracy.

After this meeting the Paraguayan delegation went to the World Bank, where Wasmosy asked for more financial cooperation for development plans in Paraguay.

On the afternoon of 9 July, Wasmosy left Washington for Mexico City, where he is scheduled to meet President Carlos Salinas de Gortari on 10 July.

On 11 July, the president-elect and his entourage will leave Mexico City for Santiago, Chile, where Wasmosy will meet President Patricio Aylwin on 12 July and will hold talks with businessmen and banks on the possible exchange of capital.

Wasmosy is due to return home on the morning of 13 July.

PLRA Deputies Meet Senior Military Officers

*PY1007152693 Asuncion ABC COLOR in Spanish
9 Jul 93 p 2*

[Test] Hermes Rafael Saguier and Sergio Lopez, Authentic Radical Liberal Party [PLRA] deputies, met yesterday with retired Defense Minister General Eumelio Bernal; Military Forces Commander Vice Admiral Eduardo Gonzalez Petit; and the chief of the General Staff, Division General Mario Rodolfo Escobar Anzoategui, to discuss the participation of certain high-ranking military officers in political activities, it has been reported. The politicians said that if military men continue to meddle in matters outside their jurisdiction, they will submit a draft bill to Congress that would prevent the promotion of senior officers affiliated with any political party.

It has been learned that the 30-minute meeting in the defense minister's office was arranged by Saguier, the PLRA bloc leader in the Chamber of Deputies.

The proposal to hold this meeting reportedly was conveyed to General Andres Rodriguez, the Armed Forces commander in chief, on 7 July. Rodriguez allegedly recommended accepting the proposal provided Gonzalez Petit and Escobar attended the meeting.

After the meeting ended those who attended refused to go into detail. Saguier's explanation was simple enough: The meeting was a formality. He also noted that he urged

the military commanders to respect the Armed Forces' institutionality by forbidding the participation of military officers in political activities.

He said that otherwise a draft bill might be submitted to Congress to prevent the promotion of those military men affiliated with a political party.

Saguier said: "We told Gonzalez Petit and Escobar that institutions and jurisdictions have to be respected for the sake of sound coexistence in the country. We want to reach agreements that can help make progress in the democratic process. We do not want confrontations between the Armed Forces and Congress."

He stated that military men who do not respect the rules of the game might have their promotions blocked if Congress were to make it essential that they not be affiliated with any political party. He added: "This condition also may be applied to those officers who are appointed commanders of the various military units."

He said this bill might be submitted if some commanders continue to support one political party in particular.

He finally said that the amendment of the law on the Armed Forces' general organization was not analyzed on this occasion.

Senate Appoints Chairmen, Members of Various Committees

*PY0907225793 Asuncion NOTICIAS in Spanish
9 Jul 93 p 8*

[Text] The Senate yesterday appointed the chairmen and members of its various committees during a session unmarked by the already notorious Colorado Party internal dispute, which has in recent days provoked controversial situations in Congress.

As soon as the session was called to order, Senators Carlos Romero Pereira and Susana Morinigo of the Colorado Reconciliation Movement criticized their party's decision to order an investigation, with a view to imposing punishments on them.

Later, after overcoming a minor interpretation problem regarding the composition of the committees, a recess was called to draw up the various lists. Senate President Evelio Fernandez Arevalo then read the lists of the various committee members, most of whom had already elected their chairmen by the end of the session. Here-with the composition of the various committees. It should be noted that the first name of the list is the committee chairman:

1. Constitutional Affairs and National Defense Committee: Rodrigo Campos Cervera (PLRA) [Authentic Radical Liberal Party], Diego Abente, Carlos Romero Pereira, Sebastian Gonzalez Insfran, Carlos A.J Gonzalez, Victor Sanchez, Victor Hugo Sanchez, Rafael Eladio Velazquez, and Miguel Angel Gonzalez Casabianca.

2. Legislation, Codification, and Justice and Labor Committee: Victor Sanchez Villagra (EN) [National Encounter], Carlos A. Gonzalez, Arnaldo Rojas, Miguel A. Gonzalez, Juan M. Peralta, Miguel A. Saguier, Susana Morinigo, Elba Recalde, and Antonia Nunez de Lopez.

3. Finance, Budget, and Accounts Committee: Fernando Martinez (ANR) [National Republican Association, Colorado Party], Luis Guanes, Basilio Nikiphoroff, Carlos Romero Pereira, Armando Espinola, Diego Abente, Artemio Castillo, Alfredo Jaeggli, and Jose Alberto Alderete.

4. Foreign Relations Committee: Jose Felix Fernandez Estigarribia (PLRA), Rafael Casabianca, Victor H. Sanchez, Rafael Eladio Velazquez, Diego Abente, Arnaldo Rojas, Miguel A. Gonzalez, Fernando Pfannl, and Antonia Nunez de Lopez.

5. Petitions, Accreditations, and Regulations Committee: Victor H. Sanchez (ANR), Blas N. Riquelme, Victor Sanchez, Jose Felix Fernandez, Susana Morinigo, Secundino Nunez, Gonzalo Quintana, Rodrigo Campos Cervera, and Julio Rolando Elizeche.

6. Culture, Education, and Worship Committee: Rafael Eladio Velazquez (PLRA), Martin Chiola, Secundino Nunez, Armando Espinola, Juan Manuel Cano, and Jose Alberto Alderete.

7. Human Rights Committee: Susana Mornigo (ANR), Miguel A. Saguier, Secundino Nunez, Antonia Nunez de Lopez, Elba Recalde, and Pura Moreno.

8. Economy Committee: Juan Carlos Zaldivar (PLRA), Fernando Martinez, Juan M. Peralta, Luis Guanes, Emilio Cubas Grau, and Artemio Castillo.

9. Agrarian Reform: Basilio Nikiphoroff (EN), Juan Carlos Zaldivar, Pedro Pablo Ovelar, Elba Recalde, Julio Elizeche, and Pura Moreno.

10. Public Health and Social Welfare Committee: Juan Manuel Cano (ANR), Manuel Elizeche, Nilda Estigarribia, Martin Chiola, Rodrigo Campos Cervera, and Jose Alberto Alderete.

11. Municipal Affairs Committee: Cesar Benitez (PLRA), Juan Carlos Galaverna, Pedro Pablo Ovelar, Manuel Elizeche, Gonzalo Quintana, and Amado Enrique Yambay.

12. Public Works and Communications Committee: Emilio Cubas Grau (ANR), Fermin Ramirez, Juan Maria Carron, Carlos Romero Pereira, Alfredo Jaeggli, and Amado Enrique Yambay.

13. Energy, Natural Resources, and Ecology Committee: Juan Maria Carron (EN), Arnaldo Rojas Sanchez, Cesar Benitez, Pura Moreno, Fermin Ramirez, and Julio Rolando Elizeche.

Census Shows 'Critical' Situation of Rural Population

PY0907233193

[Editorial Report] Asuncion ABC COLOR in Spanish on 9 July publishes on page 18 under the headline "Rural Population Situation More Critical Than Urban" a 600-word unattributed article on the main results of the 1992 population census, which were compiled in an "Atlas of Census Returns" by the Department of Statistics, Surveys, and Censuses from the Technical Planning Secretariat.

Victor Mora Martinez, director of the department, stated yesterday that "the situation of the rural population is obviously much more critical than that of the urban population, and this is reflected in the results of the indicators obtained in the national population and housing census of 1992."

According to Mora Martinez, the most acute problem faced by the rural sector is a lack of education and health services. He said: "Those who live in urban areas have easier access to these basic services, in both education and health."

Mora Martinez pointed out that 33 percent of the population lives in an area covering 0.6 percent of the national territory, a situation that demands more and better basic services. He contends that "as the rural exodus to Asuncion and the Central Department increases, the population will increasingly need basic services."

Mora Martinez added that the critical situation described was inherited from the previous regime, and even from regimes before that. He said the "Atlas of Census Returns" describes the real situation of every department, district by district, house by house. He said: "For example, it will help the Education Ministry to build new schools based on the real needs of each region." The 146-page atlas has color graphs and statistic charts of the 17 departments and their respective capitals, including general information on their geography, agricultural and industrial production, population growth, and means of communications.

Peru

Government Extends State of Emergency in Apurimac

PA0907191193 Lima Radio Programas del Peru Network in Spanish 1800 GMT 9 Jul 93

[Text] The government has extended the state of emergency in Apurimac Department for 60 days to maintain public order, according to an executive decree published in the official newspaper EL PERUANO. The Armed Forces will retain control over internal order, and the constitutional guarantees in Article 2 of the Constitution will remain suspended.

'Terrorists' Detonate Bomb at Continental Bank Building

PA0907200293 Lima Radio Programas del Peru
Network in Spanish 1940 GMT 9 Jul 93

[Text] Terrorists detonated a bomb at the Continental Bank main entrance at 0610 [1110 GMT] on 9 July. The explosion caused only material damage. The bank is on the first block of Villa Maria Avenue, Villa Maria del Triunfo District.

Armed Forces To Guarantee Safety During 11 Jul Census

PA1007202593 Mexico City NOTIMEX in Spanish
1942 GMT 10 Jul 93

[Excerpt] Lima, 10 Jul (NOTIMEX)—The Armed Forces will take absolute control over Lima and the capital cities of the largest departments on Sunday, 11 June, to guarantee safety during the new population census.

The authorities ordered "absolute paralysis" with the suspension of all public and commercial activities so that 340,000 census takers can visit over 10,000 populated areas in the country's cities.

From 0700 [1200 GMT] to 1700 on Sunday, the Armed Forces and the police will enforce the "state of siege" and will stop anyone out in the streets during the established time.

A "dry law" is to be in force starting midnight Saturday until Monday, meaning the sale and consumption of alcoholic drinks is forbidden. Burials will be conducted after 1700.

Mass transit, religious buildings, markets, grocery stores, restaurants, gas stations, and other commercial establishments will be closed for 10 hours, a measure that constitutes a virtual "state of siege."

To guarantee public order and the work by the census takers, the police force will patrol the streets with the support of armored vehicles and helicopters that will fly over Lima, which is under a state of emergency due to urban violence.

The extreme measure only affects half the country owing to the activities by the Shining Path and the Tupac Amaru Revolutionary Movement. [passage omitted]

Hermoza Says Lima Calm

PA1107210193 Lima Radio Programs del Peru Network
in Spanish 1915 GMT 11 Jul 93

[Report by Maritza Lopez]

[Text] We have a statement by General Nicolas De Bari Hermoza, commander of the Armed Forces Joint Command, after he traveled on important Lima thoroughfares and flew over the city.

[Begin recording] [Hermoza] Lima is very peaceful. The people are obeying the National Institute of Statistics and Information [INEI] directive not to travel. Such civic minded behavior has to be pointed out. This means the restrictions imposed by INEI and the public forces are being followed strictly.

[Unidentified reporter] Have there been any problems, any terrorist activity in the area?

[Hermoza] Here in Lima we have had no problems. This is true also for the other cities, except for an isolated incident in Ayacucho Department that has not yet been confirmed. A helicopter has left the City of Ayacucho, from San Francisco, and is heading for the little town of Acon, in Ayacucho, where an incident may have taken place. If the incident is confirmed, it will have been an isolated case. [end recording]

Study Shows MRTA 'Disintegrated,' Shining Path Active

PY1007013893 Madrid EFE in Spanish 1601 GMT 8 Jul 93

[Text] Lima, 8 Jul (EFE)—According to studies released today in Peru, despite the blows it has suffered the Shining Path terrorist organization is not about to disappear, while the Tupac Amaru Revolutionary Movement (MRTA) has almost completely disintegrated.

According to comments made today by MRTA leader Jose del Aguila Valles, who has just surrendered to officials in northern San Martin Department, this Che Guevara-leaning organization "has been completely weakened."

"I surrender because we lost the war, not because I am a coward," said Jose del Aguila, alias "JJ." The same opinion is shared by analysts of Peruvian subversion.

Regarding Shining Path, these analysts, as well as the recently published monthly PERUPAZ, have a different opinion.

This publication says that even though it has been badly hurt in the last months, it (Shining Path) "maintains an operational capacity to continue to hurt the country" and "it cannot be sustained that its elimination is near."

From January to June of this year the deaths caused by political violence in Peru reached 1,106, including 362 subversives, 518 civilians, 173 soldiers and policemen, and three narcoterrorists.

The evaluation made by PERUPAZ predicts that victims of political violence in 1993 may be one-third fewer than in 1992, when 3,101 people were killed. The death toll in 1991 was 3,180.

As a result of the subversive war started in 1980 by the Shining Path, 186 people were killed last June, while 276 were killed in June 1992, and 540 people in June 1991.

According to the figures published by PERUPAZ, 29,300 people were killed in the 13 years of the subversive war, while 22,633 attacks and acts of sabotage during those years caused \$20 billion in losses—which is the equivalent, or almost, of the Peruvian foreign debt.

The arrests of terrorists continue. In Chiclayo, northern Peru, the antsubversive police arrested on 7 July five Shining Path leaders.

The Military Court also confirmed a sentence of life in prison for lawyers Alfredo Crespo—who defended Shining Path chief Abimael Guzman, who got a life sentence—and Jorge Cartagena, who defended Martha Huatay, another Shining Path leader, who also got a life sentence.

Since Abimael Guzman was arrested on 12 September 1992, which was to be a hard blow for Shining Path, 438 subversives have been sentenced, of whom 169 received life sentences according to figures provided by Daniel Espichon, special prosecutor for cases of terrorism.

Peruvian President Alberto Fujimori said one week ago that the Shining Path is no longer a threat, and that the MRTA "is almost finished."

But PERUPAZ, which is headed by former Senator Enrique Bernales, former president of the UN Human Rights Commission, is not very optimistic.

Although the magazine coincides in general terms with the disintegration of the MRTA, it believes that Shining Path is not paralyzed and continues with violent actions, as shown by the June 1993 statistics, with 101 attacks.

Of the 101 attacks, 87 are attributed to Shining Path, eight to MRTA, five are unknown, and one to drug trafficking.

The publication emphasizes the appearance of growing cooperation from the public in denouncing terrorists, while many of them have surrendered, especially MRTA terrorists, who seek protection under the repentance law that was promulgated by the government in 1992, more than one year ago.

MRTA Leaders Presented in Tarapoto, Hermoza Comments

PA1007183393 Lima Global de Television Network in Spanish 0100 GMT 10 Jul 93

[Report by Vanessa Rios from Tarapoto]

[Text] Four Tupac Amaru Revolutionary Movement [MRTA] repented leaders were presented to the press on 9 July in Tarapoto. Among them is Andres Mendoza, alias Comrade Grillo, former chief of staff of the Northeastern Front of that terrorist group.

Of the four repented MRTA members, Andres Mendoza Del Aguila, alias Comrade Grillo, held the highest position within the Northeastern Front of that subversive organization. He replaced Lucero Cumpa when she was recaptured.

Today at age 28, five of which he has spent with the MRTA, Mendoza will try to start his life over again with his comrade Norit Navarro Ramirez, alias Comrade Rita, which whom he decided to return to society. They and the other two MRTA members, Juan Yarcate Huainacare, alias Comrade Ferry; and Jose Del Aguila Valles, alias Comrade JJ, who also turned themselves in to take advantage of the Repentance Law, explained their reasons for surrendering.

[Begin recording] [Del Aguila] There was corruption within the organization. Some money that was received was pocketed. We do not know where the money went. That is when I realized something was wrong within the MRTA.

[Mendoza's mother] The entire family is happy to see my son back. We have brought him out here to the camp, where we have been received with great joy.

[Mendoza] I make a call to all those who are in the jungle that this is no longer an alternative. We must all be willing to do what I have done. We must all be willing to repent for our actions. [end recording]

At the Mariscal Caceres Fort in Tarapoto, General Headquarters of the Huallaga Front, the Army presented to the media abundant materiel that was confiscated in different operations since May 1992. The weapons seized, which include 47 rifles, 22 machine guns, 143 grenades, 8,802 cartridges, explosives, and blank electoral documents, are only a show of the results achieved by the government forces to eradicate the MRTA this year.

In San Martin Department, only three detachments of the subversive group are operating now and it is expected terrorists will continue to surrender to authorities.

[Begin General Nicolas De Bari Hermoza Rios, commander of the Armed Forces Joint Command, recording] They have presented themselves here to take advantage of this law, in the presence of priests, prosecutors, and other authorities. Their presentations represents a special case, because they are calling on others to end once and for all this orgy of blood unleashed by terrorism throughout the country. [end recording]

The significant arrests made by the Army Huallaga Front have reduced the MRTA's power in this region to one tenth of what it was.

Dincote Presents 4 Shining Path Terrorists

PA1007190493 Lima Global de Television Network in Spanish 0100 GMT 10 Jul 93

[Text] The Dincote [National Counterterrorism Directorate] on 9 July presented four Shining Path members

from the El Callao subzone, who were responsible for the attacks against Jose Abelardo Quinonez School, the Military Hospital, and the La Parada Market.

These four Shining Path terrorists are not only members of the People's Guerrilla Army, but also of the Historic Contingent, a branch of People's Aid of Peru that has assumed new responsibilities given the deterioration of the Shining Path leadership.

The arrests were made on 12 and 14 June 1992 by Dincote, which has intensified its investigations in El Callao.

Among the attacks perpetrated by Workers, Neighborhoods, and Laborers of the western part of El Callao are the car bomb against Jose Abelardo Quinonez School and the attacks against the Military Hospital, La Parada Wholesale Market, the Education Ministry, Real Felipe Garrison, Air Group No. 8, Naval Base, and others.

* Shining Path Leadership 'Shift' Examined

93WR0271Z Lima SI in Spanish 23 May 93 pp 34-35, 48

[Unattributed article: "Shining Path—Change of Guard: 'Comrade Feliciano' Appears Not To Have Absolute Command; Meanwhile, Julio Cesar Mezzich's Star Is Beginning To Rise"]

[Text] More than 10 months ago, on 6 March, President Fujimori said that Shining Path leader Julio Cesar Mezzich was surrounded somewhere in the northern part of the country. "His capture," the president stated, "is a matter of hours." The fugitive's escape through the encirclement bears the hallmark of what seems to be Shining Path's new military leadership and what may well be its actual new overall leadership.

The case serves to point up the shift of Shining Path's center of power toward the Regional Committee of the North, headed by Mezzich, the man who at various times has been taken for dead or estranged from Shining Path. The bloody effectiveness of this force is evidenced by the February double ambush in Huermaca, province of Huancabamba, Piura, in which 17 police agents and one civilian lost their lives.

These are but ripples on the surface of the fundamental processes taking place deep inside the movement founded by Abimael Guzman, under the effects of the blows received by the organization. Fujimori said recently that 98 percent of Shining Path's leaders are either dead or sentenced to life in prison. For the most part, the powerful blows dealt to Shining Path have been the work of DINCOTE [Counterterrorism Directorate, part of PNP [Peruvian National Police]]. Roundup operations have taken the lives of 84 DINCOTE agents. During these operations, the structure of the various regional committee intermediate commands was also hit by the capture of between 100 and 200 area commanders. In addition, approximately 1,000 members of grass-root forces are known to have been captured. These

are not party members, but collaborators or persons recently attracted to the movement.

Newspapers and television newscasts report almost daily arrests in practically all parts of the country. These arrests are not only numerous but also significant. The profusion of arrests causes one to wonder not only how many are the Shining Path members in Peru, but also who among them must yet be captured. In any case, the bloody events that began Friday call for a reevaluation.

An overall assessment reveals a subtle distinction: It is Shining Path's political apparatus that is taking most of the hits, rather than its military one. And it is in the military sector that Mezzich's power seems to be rising.

In addition: The Shining Path sectors that have taken the main impact of the repression thus far have been those supporting the "Presidente Gonzalo" faction, that is, those who have been promoting the concept of "strategic balance" as a goal within reach and even already partially attained.

In a Central Committee meeting held in October 1986, after the prison massacres, the concept of "Pensamiento Gonzalo" [Gonzalo Thought] was introduced for the first time. "Gonzalo" was "established" as head of the world revolution, political head of the PC [Communist Party] of Peru-Shining Path, and president of its Military Committee. Then, Abimael Guzman made a mistake that is now costing him dearly: The Central Committee leaders would not be elected but "selected" by him. Moreover, from then on, the military cadres were to swear to give their life for "Presidente Gonzalo," not for the party.

Of the 19 members of the Central Committee, 14 are either in jail or dead—sign of a weakness of organization and security, for which Guzman and his entourage are entirely to blame. In the light of this balance sheet, a meeting of the enlarged Central Committee was held in January of this year, which was attended by the Political Committee and the heads of the different Regional Committees.

At that meeting, it is believed, agreement was reached on a tactical maneuver: a temporary pullback until 1994. The idea was to repeat the experience of 1986-1987, after the prison massacre: A reduction in the number of attacks, to be followed by another wave of violence, that subsided only after the capture of Abimael.

The maneuver, of course, was to be punctuated by several spectacular actions. One of them was the so-called armed strike of 17, 18, and 19 May, commemorating the ILA [Initiation of the Armed Struggle], dated 17 May 1980. In Ayacucho, the planned duration of the strike is seven days. Another event has been planned to commemorate the centennial of the birth of Mao, in December.

According to the experts, Shining Path now has a leadership problem. They feel that with the passage of time, Guzman, without losing any of his symbolic attributes, may be being eclipsed.

Guzman used to say to his close friends: "Politically, we have never lost," in a pointed allusion aimed against the military wing of the organization. As it turns out, it is the political leaders who have died or are behind bars.

Some believe that to pinpoint the new leadership, it is the trail of Oscar Ramirez Durand ("Feliciano") that must be followed. A gross error, say the Police analysts, who believe the new leadership to be collegial. Why? Because it is evident that no one has the ideological or historical stature of the movement's founder. Nor can anyone deny him, among other things, the title of "Organizer of the Popular Republic of Peru," one of the utopias minted by Guzman before his fall.

The collective leadership is believed to include: "Feliciano," who heads the principal committee, that of Ayacucho; Teresa Durand Araujo (who within the movement was considered a confidante of "Gonzalo," and capable of ousting heads and militants); Margie Evelyn Clavo Peralta ("Comrade Nancy"), head of the Regional Committee of the South (Arequipa and Puno), who on one occasion addressed a letter to the Central Committee in which she complained of being abandoned by the party when it was learned that she had cancer; Arturo Morote (brother of Osman, but not considered much of a politician); and Abdon Cruzat Cardenas, cousin of Deodato Juarez Cruzat, who died in Canto Grande last year and who had been considered "Gonzalo's" dauphin. The innovation is the presence of Mezzich, regional head of the North, and Edmundo Cox, who is rumored to be the new head of the Metropolitan Committee of Lima.

Mezzich's new image emerges from this context. Documents confiscated from Guzman indicate that the Committee of the North was slated to become pivotal. It has four important fronts: Callejon de Conchucos (in Ancash), Huamachuco-Santiago de Chuco (La Libertad), Huancabamba-Ayabaca (Piura), and Jaen (Cajamarca).

This can mean two central changes in the Shining Path apparatus. For the first time the leadership axis would fall outside the founding Ayacucho sector (the "chanka faction"). Also for the first time, the group from the VRPM [Political-Military Revolutionary Vanguard], the branch that distanced itself from the lawful left to join Shining Path, would wield substantial weight.

Also raging within Shining Path is an ideological debate reverberating with criticisms of the "strategic balance" line. Mao Tse-tung, as is known, considered that two major deviations had occurred in the history of the Chinese Communist Party. The one headed by Cheng Tu-siu, a rightist opportunist, leaned toward a conciliation with the bourgeoisie, represented by the Kuomintang. The one headed by Li Li-san, a leftist opportunist, was considered by Mao to be the more serious of

the two deviations. Its errors consisted of a premature initiation of the confrontation with the military, and of seeking to initiate the revolution by means of urban insurrections, in opposition to Mao's view that it should begin in the rural areas and spread to the cities.

Some of the movement's leaders consider that Guzman followed the deviation incurred by Li Li-san, the man who started out as the founder of Chinese communism, and ended up being branded a Trotskyite.

Meanwhile, will the new leadership fall or not fall? According to our sources, the DINCOTE had detected a man who was allegedly a go-between with the Shining Path leadership. This person traveled to Camana, with \$25,000 in his wallet. The Police followed him as far as Camana. But there, he managed to elude his shadowers, simply dissolving into thin air. It is believed that he was on his way to meet with Margie Clavo, "Feliciano," and other members of the top leadership.

Camana is on the way to Chalhuanca, in Aymaraes, Apurimac, where Shining Path has a major column, battle-hardened in the struggle for land, in which Mezzich played a decisive role during the 1970's.

Be that as it may, a characteristic of Shining Path at the present stage is that the traditional sector of its leadership is the most loyal to Abimael Guzman, but the least qualified. Inside the movement, shifts and tendencies are taking shape that bear watching.

Authorities Find Human Remains in Four Common Graves

PA0907160893 Lima Panamericana Television Network in Spanish 1200 GMT 9 Jul 93

[Text] A recent discovery of four common graves in Cieneguilla has caused a great deal of commotion in Lima. Some speculate that the human remains could be the 10 persons who were reported missing from La Cantuta.

The bodies were found in a hidden area with difficult access near km 14 on the road to Cieneguilla. Pieces of clothing and 9-mm cartridges were found in a garbage area close to the graves.

Human Rights Prosecutor Clodomiro Chavez arrived on the scene accompanied by assistant prosecutors who, in coordination with Amnesty International representative Peter Archer, measured the graves and the area where the earth was loose.

Relatives of some of the persons reported missing from La Cantuta University also arrived and were joined later by members of the Democratic Constituent Congress, CCD, commission in charge of investigating the case.

[Begin recording] [Unidentified reporter] How did you learn about the discovery?

[First unidentified relative] I was informed by a member of the Association for Human Rights. I went to his office this morning and he told me about the discovery. He did say, however, that we had to wait for the bodies to be identified.

[Reporter] What do you expect?

[First relative] I am not sure if I really want to know who they are.

[Second unidentified relative] I do not know what to say right now. I can only ask for justice. [end recording]

Once the forensic expert arrived, the first grave was opened amid great expectation. The grave contained incinerated human bones, human hair, pieces of clothing, and plastic. In view of the lack of adequate instruments to collect samples and the expeditiousness of the action, a representative from the National Human Rights Coordinating Board said his organization will demand that foreign experts be present.

[Begin recording] [Chavez] It would be premature to draw conclusions. First, we have confirmed that the graves contain human remains. The first samples excavated from the first grave show they are human remains. Now we must fully identify them. We hope the Forensic Medicine Institute and forensic experts can help. I also think we can request foreign assistance. Amnesty International has already offered to help, and we are sure other international organizations could send qualified experts here.

[Congresswoman Gloria Helfer] From what we have seen so far, there is still not enough evidence to confirm that the remains belong to the missing persons from La Cantuta. We have confirmed that burned human remains were buried. Who are they? We still do not know. Right now this case is not under military jurisdiction or under investigation. We will demand an investigation immediately. [end recording]

The excavation continued in three other graves as those present silently watched. The largest amount of human remains and other objects were found in the second grave. The objects found included parts of briefcases, torn bags, part of a jaw, several vertebrae, part of a femur, a piece of skull, human hair, some ribs, and five teeth. A set of four keys, one of which seems to be for a car, and a small metal plate were also found at the site.

The mother of missing student Amado Alvarez recalled that her son was carrying a set of keys, although he only had two. She asked to see the keys, but Assistant Prosecutor Cecilia Magallanes told her she would be called later.

Further away experts marked an area where pieces of clothing, including women's underwear, were found. The relatives said the clothing did not belong to the persons missing since 18 July 1992.

[Begin recording] [Unidentified CCD commission member] It would be better to know the truth once and

for all. We must know if the remains belong to the missing persons for the sake of those who want to find out what happened to their loved ones, if they are alive or at least to find their remains. They have gone through a long and painful ordeal.

[Reporter] Will the investigation be reopened?

[CCD commission member] Yes, the investigation can be reopened. Moreover, each of us has continued investigating. Most of the members of the special commission in charge of investigating La Cantuta are also members of the Human Rights Commission.

[Reporter] Have you talked with police officers in charge of the investigations? When will the results be known?

[Congressman Gilberto Suira] I have been in contact with them, and I understand that the Criminology Directorate, at the request of the Homicide Division, is working on the case. They are conducting a thorough investigation to identify the remains and determine the date on which the individuals died. We believe we should have some conclusions by 10 or 11 July at the latest.

[Reporter] Have you called a special meeting of the Human Rights Commission?

[Suira] As vice president of the Human Rights Commission, I have asked Commission President Roger Caceres to call a special meeting to review the case thoroughly and gather all the information. I understand that members of the commission have gone to Cieneguilla. We need to obtain firsthand information. Based on that, we will collaborate and contribute to the investigation to identify the remains. [end recording]

Uruguay

Army To Reinforce Patrols in Cambodia After Khmer Rouge Ambush

PY1007142893 Montevideo Radio El Espectador
Network in Spanish 0930 GMT 10 Jul 93

[Text] The Uruguayan Army has decided to reinforce its troops operating in Cambodia as a result of a second ambush set by the Khmer Rouge for the troops bivouacked in that Southeastern Asian country that resulted in one wounded officer. It also was disclosed that the troops will return to Uruguay in August.

The clash took place when a motorized column of the Uruguay-1 battalion, headed by Second Lieutenant Hugo Rebollo—born in San Javier, Rio Negro Department—was traveling in Cambodian territory on its way to pick up UN personnel in Kratie. The column, comprising 15 soldiers, was suddenly ambushed, allegedly by Khmer Rouge members. Officer Rebollo sustained a bullet wound but the rest of the soldiers were able to repel the attack and immediately obtained the necessary help to transfer their commander in a helicopter to the [name indistinct] hospital where he is recovering.

This is the second attack against Uruguayan troops stationed in Cambodia. The first attack resulted in the death of one Uruguayan soldier.

In view of this new attack, the Uruguayan Army has decided to increase the troops that accompany UN representatives. This the Uruguay-1 battalion's main duties.

According to military sources, a normal patrol is made up of 15 soldiers who travel in a (?jeep) followed by a truck transporting the UN personnel.

The number of Uruguayan soldiers will be increased noticeably to be able to better repel any possible new ambush.

The Uruguay-1 battalion already has been involved in several incidents in Cambodia. This has not been the case in Mozambique, however, where members of the Uruguayan force died in a highway accident.

Venezuela

President on 'Special Powers Law;' Fedecamaras National Assembly Closes

PA1007040693 Caracas Venezolana de Television
Network in Spanish 2350 GMT 9 Jul 93

[Report by Orlando Rodriguez]

[Text] President Ramon Jose Velasquez stated that the Special Powers Law [Ley Habilitante] presented to Congress by his administration aims at finding solutions to concrete needs which is why he has staunchly rejected any changes to the economic system. According to the president, changes in the country's economic system can only be made by the National Assembly. The aforementioned statements were made by President Velasquez during the closing of the 49th Annual Fedecamaras [Venezuelan Federation of Associations and Chamber of Commerce and Industry] National Assembly that took place in Maracaibo.

[Begin Velasquez recording] These are trying moments. These are moments of conflict. We cannot hide the fiscal crisis we are going through. The magnitude of the fiscal deficit should not be kept secret. At this stage of everyday life, every one of the 20 million Venezuelans are entitled to know about their food, their housing, transportation, medication, security, and why they are confronting so many problems. It is not just a matter of knowing why, but also looking for a balanced solution. The equilibrium between economic development and social justice is all that stabilizes democracy in every country of the world. [end recording]

A similar position was adopted by Venezuelan business representatives among who we can mention outgoing Fedecamaras President Freddy Rojas Farra. During his speech, Mr. Rojas highlighted his support for the immediate approval of the Special Powers Law by congress. In

addition, the outgoing Fedecamaras president also presented a proposal during the national assembly which included a long-term, coordinated relationship between the public and private sector aimed at implementing significant reforms in the fiscal, education, and institutional system.

During the closing of the 49th Fedecamaras Annual Assembly, Andres Velasquez, presidential candidate for the Radical Cause Party, as well as Bolivar state governor also addressed the full assembly and presented a complete evaluation of the nation's economy. Among other things, Velasquez said that worker's social benefits are an issue that should be better left untouched.

On the other hand, incoming Fedecamaras President Edgar Romero Navas called on the Venezuelan business sector to unite to embark on a decisive effort to influence the national economy, especially now that the paternalistic state has given way to private sector initiative.

[Begin Romero recording] I plan to preside over Fedecamaras as an organization for all of us, from the smallest to the largest entrepreneur. To every one of you I would like to say that the federation is your home. [end recording]

Another proposal presented at the conclusion of this annual national assembly is related to controlling inflation as a prerequisite to accomplishing the nation's economic development.

Guyana

PNC Studying Draft of Elections Commission Bill

FL0907160393 Bridgetown CANA in English 1449
GMT 9 Jul 93

[Text] Georgetown, Guyana, 9 July, CANA—Guyana's main parliamentary opposition party, the People's National Congress (PNC), is studying a draft of a constitutional amendment bill to reconstitute the country's elections commission, deputy leader, Robert Corbin, said.

"We propose to contribute to that legislation in terms of making our comments on it. In fact, we are studying a draft which has been sent to us and of course we think there are some amendments to be made," Corbin reported. He said his party was "glad" that the thorny issue of selecting and appointing a chairman of the elections commission has been resolved, paving the way for municipal and local government elections either later this year, or early next year.

University of Guyana lecturer, Edward Hopkinson, was selected from a list of five names, which the three parliamentary opposition parties—the PNC, the United Force (TUF), and the Working People's Alliance (WPA)—had submitted to President Cheddi Jagan. Corbin said the party regretted that a commission set up by the president to probe electoral and other irregularities failed to give the new commissioner "useful guidance."

"Mr. Hopkinson will have to start from scratch and probably discover for himself some of the errors of the past so that we will not have a repeat of October 5th," Corbin said. Guyana's 5 October poll, which saw the defeat of the PNC, was marred by irregularities and cases of violence.

The three opposition parties are to meet to name three nominees for the seven-man elections commission, and the Cheddi Jagan administration will announce its three candidates afterwards. Because the revamped commission was applicable only to the 1992 poll, it has since reverted to the controversial three-man commission, with a chairman and one representative each from the PNC and the ruling People's Progressive Party/Civic Group. The new constitutional amendment is to facilitate the constituting of a seven-man commission.

Chief Magistrate Cites Death Threats While Presiding Over Drug Case

FL1007164593 Bridgetown CANA in English 1503 GMT 10 Jul 93

[Text] Georgetown, Guyana, 10 July, CANA—Guyana's chief magistrate, K. Juman-Yassin, said in court he had received several death threats while presiding over the largest-ever cocaine seizure case, according to press reports.

The state-owned GUYANA CHRONICLE newspaper Friday [9 July] reported the chief magistrate as saying he had received several messages advising him, his time "was limited," as the trial of five alleged cocaine traffickers, including a Colombian, entered its third week here.

The magistrate said: "I would really hope not (that his time is limited). Life is very sweet to me at the moment."

Five persons, including 51-year-old Colombian Jairo Ramirez, as well as the couple, Cyrus and Holly Boyce, are charged with possession of cocaine. The five were among 23 persons captured in a police dragnet after the noon air-dropping by an unidentified aircraft of 21 water-tight bales of cocaine at Loo Lands, about 45 miles in the upper reaches of the Demerara River, on June 3.

Police believe the plane came from Colombia, dropping more than 1,000 pounds of cocaine to couriers waiting in the smallest of Guyana's three major rivers. Police say that Ramirez slipped into Guyana through Essequibo County near Venezuela on a false Venezuelan passport. They have described him as the mastermind behind the network which dropped, collected and distributed drugs.

The announcement of the death threats came a week after Juman-Yassin disclosed in court that he had been approached, apparently by persons connected with the illegal drugs business, with a U.S. 200,000-dollar bribe.